



EDGE

PERFORMANCE VCT

Incorporated in England and Wales
with registration number 5558025.

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2014

Year ended 28 February	2014 C	2014 D	2014 E	2014 F	2014 G	2014 H	2014 I	2014 Total
Net assets £'000	2,305	7,066	5,965	20,894	17,586	6,417	13,651	73,884
Net asset value per Share, p	24.71	36.85	60.85	71.11	73.11	92.68	86.58	n/a
Net asset value total return per Share, p*	92.71	95.85	88.85	92.11	87.11	96.18	93.58	n/a
Investment income £'000	(112)	987	585	1,254	1,053	155	676	4,598

Return on ordinary activities before tax £'000

- Revenue	(149)	860	521	989	809	73	514	3,617
- Capital	(471)	(862)	2	(674)	(1,428)	191	(42)	(3,284)
- Total	(620)	(2)	523	315	(619)	264	472	333

Return per Share, p

- Revenue	(1.47)	2.76	3.46	2.14	2.28	0.99	2.16	n/a
- Capital	(4.55)	(3.93)	0.56	(1.68)	(5.28)	3.56	0.32	n/a
- Total	(6.02)	(1.17)	4.02	0.46	(3.00)	4.55	2.48	n/a

Dividend per Share paid/recommended in respect of the year, p

- Revenue	-	-	-	-	-	0.10**	-	n/a
- Capital	-	31.00	7.00	7.00	7.00	3.40**	7.00	n/a
- Total	-	31.00	7.00	7.00	7.00	3.50	7.00	n/a

Share price at end of year, p	27.50	33.00	56.50	70.50	76.00	88.00	84.50	n/a
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* i.e. net asset value plus total dividends

** reflects blended allocation between revenue and capital

2013

Year ended 28 February	2013 C	2013 D	2013 E	2013 F	2013 G	2013 H	2013 I	2013 Total
Net assets £'000	2,888	13,234	6,257	22,811	19,994	2,081	14,362	81,627
Net asset value per Share, p	30.74	69.02	63.82	77.64	83.12	92.95	91.09	n/a
Net asset value total return per Share, p*	98.74	97.02	84.82	91.64	90.12	92.95	91.09	n/a
Investment income £'000	347	892	469	1,183	880	25	489	4,285

Return on ordinary activities before tax £'000

- Revenue	230	732	370	885	592	(1)	360	3,168
- Capital	(282)	(755)	(984)	(1,428)	(1,176)	(32)	(569)	(5,226)
- Total	(52)	(23)	(614)	(543)	(584)	(33)	(209)	(2,058)

Return per Share, p

- Revenue	1.54	3.04	3.02	2.41	1.96	(0.05)	2.31	n/a
- Capital	(1.82)	(3.40)	(9.50)	(4.27)	(4.24)	(0.78)	(3.98)	n/a
- Total	(0.28)	(0.36)	(6.48)	(1.86)	(2.28)	(0.83)	(1.67)	n/a

Dividend per Share paid/recommended in respect of the year, p

- Revenue	-	-	-	-	-	-	-	n/a
- Capital	40.00	7.00	7.00	7.00	7.00	3.50	-	n/a
- Total	40.00	7.00	7.00	7.00	7.00	3.50	-	n/a

Share price at end of year, p	31.50	70.00	69.00	80.00	86.00	100.00	100.00	n/a
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* i.e. net asset value plus total dividends

Safeguarding your capital; working hard for your profit

Edge Performance VCT plc (“Edge Performance VCT” or the “Company”) offers the opportunity to invest in the entertainment and media industry in a broad range of companies (thereby diversifying risk), and seeks to allow investors to take advantage of VCT tax reliefs while combining the features listed below.

C, D, E, F, G and I Share Funds

Edge Performance VCT is seeking to achieve: high targeted returns, downside risk protection and liquidity.

The Company will balance VCT-qualifying investments with a high level of capital protection with other VCT-qualifying investments where the potential for significantly higher returns justifies a lower level of capital protection; the intention is that the investor’s risk is thereby minimised, underpinning the return to the investor of up to 70p per Share (i.e. the investor’s net cost of investment, assuming 30% income tax relief).

H Share Fund

Edge Performance VCT is seeking to achieve: growth, an annual yield for investors, risk reduction and liquidity.

The Company is targeting building to a consistent tax-free annual dividend yield for investors. To align the interests of Edge Investments (the “Investment Manager”) with this objective, the Investment Manager’s performance fee is payable only if cumulative dividends are at least 7p per H Share per year on average (i.e. a yield of at least 10% of the investor’s net cost of investment) and the net asset value per H Share grows. In the early years of the H Share Fund, the Company is seeking to pay out annual dividends of 3.5p per H Share per year (a 5% yield), while the anticipated returns from VCT-qualifying investments start to grow.

The Company will invest at least 70% of the H Share Fund in VCT-qualifying investments, using risk reduction strategies wherever available; the intention is that the majority of any gain made from realisation of VCT-

qualifying investments will be distributed to H shareholders, to maintain and improve the H shareholders’ yield, with the remaining proceeds of realisation being reinvested in further VCT-qualifying investments, in order to drive compound growth for the H shareholders.

Asset allocation

Each of the Share Funds will initially be invested in a range of fixed income securities, cash and cash equivalent assets, offering a high degree of capital preservation. Up to 30% of each Share Fund will remain in such investments, while the balance will be realised to fund the making of VCT-qualifying investments.

In instances where more than one of the Company’s Share Funds invests in a given portfolio business, the Company will, where practicable, arrange or rearrange the structure of the investment, so that each of the participating Share Funds holds, pro-rata to the amount invested by it, the same investment instruments. This approach is intended to ensure that, where the value of a portfolio business changes, that change is reflected, proportionately, to the same extent across all of the participating Share Funds, where appropriate.

In relation to the H Share Fund, the Company will seek to make VCT-qualifying investments which the Company believes are capable of generating an appropriate level of growth or return.

In relation to the C, D, E, F, G and I Share Funds, the Company will balance investments with a high level of capital protection, ideally with contractual revenues or capital guarantees from financially sound counter-parties, with other investments where lower capital protection offers significantly higher potential returns. Through the use of this blended investment strategy:

- the intention is that the shareholder’s risk is thereby minimised, underpinning the return to the shareholder of up to 70p per Share (i.e. the shareholder’s net cost of investment, assuming 30% income tax relief); and

- the targeted tax-free return is 130p per 70p invested (assuming tax relief at 30%, equivalent to a return of 160p per 100p invested).

VCT-qualifying investments will normally be made up of ordinary shares or other eligible shares (as defined under VCT rules) in the investee company, together with, wherever practicable, loan stock or other loan finance and/or preference shares.

Risk mitigation

Wherever possible, the portfolio investments will be made through loan finance as far as is permitted under VCT rules, which should provide additional capital protection.

Borrowings

It is not intended that the Company will incur borrowings to fund its operations, although the Company may, under its articles of association, borrow in aggregate an amount up to 50% of its ‘Adjusted Capital and Reserves’ (as defined in the Company’s articles of association, being the aggregate of the Company’s paid up share capital and the amount standing to the credit of the consolidated capital and revenue reserves of the Company, after adjustments, including for tax and distributions, and such other adjustments as the Company’s auditor may consider appropriate).

VCT status and maximum exposures

The Company must be approved by HM Revenue and Customs in order to retain its venture capital trust status. The conditions which must be satisfied to retain such status include the restriction on the maximum exposure of the Company that not more than 15% by value of the Company’s investments can be held in a single company or group (other than a VCT). The Company will not exceed this level even in the event of an increase in the limit imposed by VCT rules.

Chairman's Statement

Although, as I forecast in my statement last year, new investment activity in the year ended 28 February 2014 was not at the same level as in the preceding two years, it was nonetheless a busy and productive period for the Company, with a number of significant positive developments.

Portfolio realisations and distributions

During the year, three of the VCT-qualifying investments held by the D Share Fund were fully realised, and a fourth investment partly realised. The Company also fully realised an investment which had been held jointly by the D Share Fund and the E Share Fund. The proceeds of those realisations amounted to £6.5 million; the proportion of those proceeds which was attributable to the D Share Fund was distributed to D shareholders in December 2013, by way of a dividend of 31p per D Share.

As covered in detail in the Investment Manager's review on pages 9 to 13, the Company sold its investments in the Working Partners and Beast Quest businesses to Coolabi Group in November 2013, in a share-for-share transaction which has helped Coolabi consolidate its position as one of the UK's leading independent producers of children's and family entertainment.

With the E Share Fund now having reached its fifth anniversary, the Investment Manager has started the process of realising a number of its investments, with the aim of the proceeds of those realisations being distributed to E shareholders later in 2014.

Investment activity

During the year, the Company invested a total of £2.22 million, all as follow-on investment in existing investee companies.

The C, D, E, F, G and I Share Funds are all fully invested. As at the date of this report, the Investment Manager is actively pursuing a number of specific investment opportunities for the H Share Fund, which it hopes to be able to conclude in the coming few months, at which point the H Share Fund will be at, or close to, full investment.

Portfolio

The Company holds investments in 34 companies in the creative industries sector, including children's entertainment, live event promotion, digital marketing, book publishing, mobile application and games development and social media. With the H Share Fund's new investment opportunities mentioned above, the Investment Manager is looking to diversify the portfolio even further.

Particular mention should be made of Coolabi Group and Intent HQ, as these represent the Company's two largest holdings.

The progress of Coolabi Group over the year has been very encouraging, with growth not only through the acquisitions of Working Partners and Beast Quest but also, and more importantly, through the coming to fruition of projects which the business has been developing for the last few years.

Intent HQ's progress has, however, been slower than was originally anticipated: its technology has been trialled successfully with high profile customers and the company has achieved a significant pipeline; converting these into contracted relationships remains, however, the key to providing a solid grounding for the future.

Financial performance

The principal contributors to the movements over the course of the year in net asset value total return for each Share Fund were the increase in value of the Company's investment in Coolabi Group and the reduction in the valuation of its holding in Intent HQ. Both of these revaluations were triggered by new investment into the companies from third party investors, and reflected the prices paid by those parties for their investments.

These changes have impacted each Share Fund to a differing extent, with the net asset value total return for the C, D, and G Shares reducing by between 1.2% and 6.1% compared to 2013, and the net asset value total return for the E, F, H and I Shares increasing by between 0.5% and 4.8%.

Fundraising

The Company's fundraising efforts during the year under review saw the cumulative total amount raised for the H Share Fund increase to £9.1 million. As the current level of dealflow exceeds by some way the remaining amount available to the H Share Fund for investment, the Board is currently considering plans for further fundraising later in the year.

Dividends

In November 2013, the Company paid dividends of 7p per E Share, 7p per F Share, 7p per G Share and 7p per I Share. Dividends of 3.5p per H Share were paid in each of April 2013 and June 2014. These payments once again demonstrate the Board's commitment to the philosophy of the payment of regular dividend to shareholders.

The Board is now recommending that the shareholders approve, at the forthcoming annual general meeting, the payment of further dividends of 7p per F Share, 7p per G Share and 7p per I Share. If these are approved at the AGM, this will mean that the cumulative total dividends paid by the Company since it began in 2006 will have topped £43 million.

The anticipated dividend to E shareholders later this year, following the initial realisations of the E Share Fund's portfolio, is covered in the Investment Manager's review.

Board

Michael Eaton, who has been a Director since the Company's inception, has decided to step down from the Board following a period of ill-health, and so will not be standing for re-election at this year's AGM. Michael's experience, and his measured and learned approach, will be missed. I would like to take this opportunity, on behalf of the Board, to thank Michael for his commitment and valued input, and to extend to him our best wishes for the future.

Outlook

With the C, D and E Share Funds in particular, the emphasis is now on identifying suitable exit opportunities and positioning the investee companies in the best way for those exits, so as to maximise the potential returns to the Company's shareholders. More information on the targetted exits can be found in the Investment Manager's review.

For the F, G and I Share Funds, being more recent, there is also focus on working with and mentoring management of the investee companies, as we work towards growth and eventual exit.

The evolution of the H Share Fund, which is not yet fully invested, is very encouraging. The Investment Manager is working towards the creation of a balanced, maturing and exciting portfolio, to provide the basis of the longer-term yield and growth for shareholders which the H Share Fund is designed to generate.

I thank you for your continued support of the Company, and look forward to seeing you at this year's annual general meeting, on 7 August.

Sir Robin Miller

Chairman

26 June 2014

The Directors and Investment Manager

Directors

The collective experience of the Directors and the Investment Manager's team - which covers VCT fund management, venture capital, investment banking, live event promotion, corporate finance, private equity, artist management, legal and business affairs, accountancy, tax and deal structuring skills - will be employed in the selection and management of the Company's investments.

As at the date of this report, the Company has the following Directors, all non-executive, who are responsible for overseeing investment policy and will have overall responsibility for the Company's activities. The Directors are, with the exception of David Glick, independent of the Investment Manager.

Sir Robin Miller (Chairman of Edge Performance VCT)

Sir Robin Miller was formerly Chief Executive (1985-98 and 2001-03) and Chairman (1998- 2001) of Emap plc, one of the UK's leading media groups with businesses including consumer and trade publishing, commercial radio and music TV channels and events.

In 2003, Sir Robin became senior media adviser to HgCapital, and was involved in the successful disposals of Boosey & Hawkes and Clarion Events Limited. He was previously a non-executive director of Channel 4 Television (1999-2006), and was chairman of their New Business Board, was non-executive chairman of the HMV Group (2004-2005), senior non-executive director at Mecom Group plc (2005-2009), and chairman of Entertainment Rights plc (2008-2009) and Setanta Sports Holdings Limited in 2009.

Sir Robin is currently also a non-executive director of The Racing Post, Chairman of IBIS Media VCT plc, Golf Club Network, Crash Media Group, a director of Bikesportnews.com and a trustee of the Golf Foundation and Riders for Health.

Kevin Falconer

Kevin Falconer has spent most of his professional life as a senior private banker specialising in the entertainment and media sector. Until 2005, he was the Head of HSBC Private Bank's global media practice. Since leaving the banking industry, he has devoted his time to providing strategic advice to a small group of highly successful media entrepreneurs, including Chris Blackwell (founder of Island Records) and Pete Waterman. He is currently a non-executive director of Pete Waterman Entertainment Limited and Audiotube Limited.

Michael Eaton

Michael Eaton is a qualified (non-practising) solicitor and was a partner at City law firm Stephenson Harwood, specialising in corporate finance. In 1977 he joined the Dick James Music Organisation where he was responsible for the legal and administrative aspects of its publishing, recording and management activities. In 1979, he formed Eaton & Co. (subsequently re-named Eaton & Burley), a firm of solicitors specialising in the music industry, and in 1990 he was a cofounder of Eatons, a leading music and entertainment law firm, with David Glick. In 2000, he founded MusicLore, which has provided business, management and legal advice to some of the world's leading recording and performing artists.

He has throughout his career advised numerous highly successful popular music artists, including Eric Clapton, the Bee Gees, the Police, Enya and Frankie Goes to Hollywood in North America as well as Europe. He has also represented a number of successful businesses in the entertainment and media sector, such as Northern Songs, the Beatles' music publishing company. More recently he has represented Eric Clapton in relation to his world-wide touring activities and was one of the main organisers of the Crossroads Guitar Festivals in Dallas in 2004 and in Chicago in 2007 and 2010, and in New York in 2013.

He is currently chief executive officer of Bushbranch Limited, a music management company providing management services to Eric Clapton.

Under the Company's articles of association, Michael Eaton is required to resign by rotation at the Company's forthcoming annual general meeting. He has confirmed that he does not intend to stand for re-election at the meeting.

Investment Manager

The directors of the Investment Manager, who are all members of its investment committee, are listed below:

Gordon Power (Chairman of Edge Investments)

Gordon Power has 29 years of venture capital and private equity experience, is chairman of the Investment Manager and is a private equity investor in his own right. He founded and was CEO of the private equity business, ProVen Private Equity (now renamed Beringea), and led its buy-out from Guinness Mahon in 1997. By 2002 ProVen, which specialised in media and intellectual property rights investments, had funds under management of US \$370 million including a highly successful range of VCTs. From 1984 to date, he has achieved an overall return in excess of 29% on 239 realised (i.e. sale, flotation or administration/liquidation) investments and unrealised investments.

Harvey Goldsmith CBE

Harvey Goldsmith is one of the UK's best known music industry impresarios, having since the 1960s produced and promoted shows with leading artists such as The Rolling Stones, The Who, Bruce Springsteen, The Eagles, Led Zeppelin and Sting. He formed Artiste Management Productions in 1973 to produce and manage music artists, and Harvey Goldsmith Entertainments Limited in 1976, which became the UK's leading promoter of concerts and events. He became involved in the Prince's Trust in 1982, producing the first Prince's Trust Rock Gala, and joining the Trust's board. In 1985, he produced the Live Aid concert with Sir Bob Geldof, raising £140 million for famine relief in Africa and the more recent Live 8 concert in 2005. He has also produced major operatic productions and was the worldwide tour producer for Pavarotti. He is responsible for the annual

Frank Presland

Frank Presland practised as a solicitor for 25 years, specialising in music and copyright. He advised numerous musicians including The Beatles, Dusty Springfield, The Troggs, Terence Trent D'Arby and Elton John as well as music publishing companies including BMG Music Publishing Limited and record companies including RCA Records. He became senior partner of law firm Frere Cholmeley Bischoff and later became joint Chairman of the national law firm Eversheds.

In 1999, he established Twenty-First Artists, a music management company, of which he was Chief Executive Officer until 2010. From May 2006 to April 2008, he was Chief Executive Officer of The Sanctuary Group plc, in which role he brokered the sale of the group to Universal Music in 2007. He is currently Chairman of the Rocket Music Entertainment Group, which provides management services to Elton John, James Blunt, Ed Sheeran and a number of other artists.

David Glick

David Glick is an experienced venture capital investor in the creative industries sector who has been involved in investment in, mentoring of, and the sale and purchase of, multi-million pound entertainment and media assets, with a particular emphasis on music, television, film, sport, theatre and fashion, and enabling technologies.

A former solicitor, he co-founded Eatons, a leading music and entertainment law firm, in 1990; in 2000, Eatons merged with law firm Mishcon de Reya where he became head of the entertainment and media group. In 2004, he formed the Edge group of companies as a specialist investment and advisory business for the entertainment and media sector, before selling the advisory business in 2011 in order to concentrate on venture capital investing.

At Edge, he has brokered and advised clients on the sale and purchase of a range of entertainment and media related assets and businesses. He has also been both an executive and a non-executive director of Entertainment Rights (now part of DreamWorks), the UK media business which was quoted on the Official List and which, during the period of his involvement, grew from a startup to a market capitalisation of approximately £213 million, and subsequently to £380 million. He is the founder of Edge Performance and is married to Kate Glick.

Lord Flight

Lord Flight has worked in the financial services industry for over 40 years and co-founded Guinness Flight Global Asset Management. In 1998, upon Guinness Flight's acquisition by Investec, he became Joint Chairman of Investec Asset Management Limited. He was the MP for Arundel and South Downs from 1997 to 2005 and was Shadow Chief Secretary to the Treasury between 2000 and 2004. He was appointed to the House of Lords in January 2011. He is Chairman of the EIS Association and CIM Investment Management Limited and is a director of Metro Bank plc, Marechale Capital Limited, Investec Asset Management Limited and of a number of other companies in the financial services sector. He is also a Commissioner of the Guernsey Financial Services Commission and has been a member of the House of Lords EU Finance and Economics Committee since 2010.

Cirque du Soleil shows in the UK. Harvey was the instigator and producer of the Led Zeppelin reunion concert at the O2 Arena in London in December 2007. From 2008 until 2012, he managed Grammy award-winning guitarist, Jeff Beck. Harvey is Chairman of The British Music Experience.

David Glick

See above.

Alasdair George

Alasdair George is a former solicitor who has 29 years of experience of legal, strategic, commercial and operational management in the entertainment industry, having been Senior Vice President of Legal & Business Affairs at Sony Music UK & Ireland, sitting on its management board and on the Council of the UK record trade association, the BPI. During his time at Sony Music, he handled, amongst other transactions: the merger of Sony Music and Warner Music's distribution businesses, which created a joint venture business with sales approaching US\$750 million in its first year of trading; the UK and Irish aspects of Sony Music's global merger with Bertelsmann's BMG; and the US\$500 million Sony-Michael Jackson joint venture (which created Sony/ATV Music Publishing). He has been a director of the Investment Manager since 2007.

Kate Glick ACA, CTA, ASI

Kate Glick qualified as a chartered accountant and chartered tax adviser with Arthur Andersen where she worked from 1991 until 2002 and is also a member of the Securities & Investment Institute. Her experience at Arthur Andersen included insolvency and turnaround advice and tax advice on areas including capital gains tax, trust and other personal tax matters. She is the company secretary of the Investment Manager. She holds a BA in Economics from Cambridge University and is married to David Glick.

Aside from the principal investment committee members listed above, the further members of the Investment Manager's investment team collectively have a wealth of direct experience in venture capital, private equity, venture capital trusts, corporate finance, accountancy and tax:

David Fisher

David Fisher has 20 years' experience in consulting, corporate finance, private equity, venture capital and VCTs, including investing in innovative UK companies in media and media technology. Between 1993 and 2000, he worked in strategy consulting and corporate finance at Deloitte and KPMG, following which he moved into venture capital fund management at Elderstreet Investments, where he invested in a range of technology, services, telecoms and new media companies. In 2004, he joined the South East Growth Fund, where he invested in similar small enterprises, including businesses in areas such as embedded advertising in video and mobile content management for the music industry. The investments with which he has personally been involved have to date generated an overall money multiple return of 2.33. He joined the Investment Manager in 2010.

Alison McCarthy ACA

Alison McCarthy began her career with the BBC in 1987, working in TV post-production, before becoming part of the television commissioning team responsible for purchasing entertainment programming for the BBC and subsequently moving into television technical strategy for the corporation. In 2005, she moved to Shipleys, chartered accountants, where she specialised in media and entertainment, and in particular in relation to film tax credits, working with producers on over 50 films, with a total production budget of more than £200 million. In 2008, she joined Disney as finance manager for worldwide post-production, specialising in dubbing of Disney's TV product into foreign languages. She joined the Investment Manager in 2010.

Dan Tubb

Dan Tubb started his career in wealth management in 2000, before moving in 2002 to become a fund manager for Unicorn Asset Management, which operated their AIM-based VCT. In 2005, he left to set up his own marketing and design business focused on the corporate market in the City, successfully building the business and selling it in 2008. He then joined wealth managers, Bestinvest, where he was instrumental in rolling out a new financial trading platform for retail clients; he subsequently headed up Bestinvest's VCT department, where he covered the entirety of the VCT market. He joined the Investment Manager in early 2013.

Safeguarding your capital; working hard for your profit

In relation to the Company's "planned exit" classes of Share (i.e. the C, D, E, F, G and I Shares), the Investment Manager employs a "blended" investment strategy, under which each Share class's VCT-qualifying portfolio entails a mix of:

- investments in businesses with a high level of underpinning of the amount invested by the Company; and
- investments in businesses which have the potential for significant growth.

With this strategy, and also with the retention in non-qualifying investments of up to 30% of the net proceeds of each offer for subscription for Shares, the Investment Manager's looks to:

- facilitate the return to shareholders of as much of their net cost of investment as possible shortly after the end of the five year minimum holding period under VCT rules, through the timely realisation of those higher-underpinned investments; and
- work closely with the other portfolio companies, with the aim of delivering return for shareholders through realisation of the investment once appropriate value can be achieved.

Dividends

An important component of this overall strategy is the payment of regular dividends, and the timely distribution to shareholders of the proceeds of realisation of the Company's VCT-qualifying investments. The further dividends recommended for payment to holders of F Shares, G Shares and I Shares in November 2014 will result in the Company having paid in excess of £43 million in total to shareholders since it began in 2006.

Portfolio investments realised during the year

In working towards the overall strategy explained above:

- during the year, the Company realised four of the higher-underpinned investments, HTM Promotions Limited, Chali Productions Limited, TRP 2009 Limited and Rose Promotions Limited, for a total of £5.5 million, and realised £1 million of its investment in Granon Entertainment Limited, with the proceeds of these realisations forming part of the dividend of 31p per D Share which was paid by the Company in December 2013; and
- the Investment Manager has now begun the process of looking to realise the higher-underpinned VCT-qualifying investments held by the E Share Fund.

Additionally, as explained in more detail below, in November 2013, the Company realised its investments in WP Acquisitions Limited and Beast Quest Acquisitions Limited by means of a share-for-share transaction with Coolabi Group Limited.

Portfolio investments made during the year

Coolabi Group Limited

In March 2013, the Company provided a short-term, non-qualifying, loan of £150,000 to Coolabi Group.

In April 2013, Coolabi Group repaid £519,243 of non-qualifying loans previously advanced by the Company, together with accrued interest of £12,600. Those amounts were reinvested by the Company on a VCT-qualifying basis, for preference shares in Coolabi Group.

The business of Coolabi Group is covered in detail in the *Significant VCT-qualifying investments* section of this review, and on page 19.

Intent HQ Limited

During the year under review, the Company invested £711,000 in Intent HQ, on a VCT-qualifying basis, as part of the second phase of the overall fundraising round referred to on page 11. In addition, the Company advanced short-term loans to Intent HQ totalling £139,000; those loans were repaid in March 2014, after the year end, with the proceeds being reinvested by the Company in Intent HQ on a VCT-qualifying basis as the initial part of the Company's participation in the completion of the third phase of investment which is described in more detail on page 11.

More information on Intent HQ is provided on page 19, and also in the *Significant VCT-qualifying investments* section of this review, below.

Mirriad Limited

In the year ended 28 February 2014, the Company participated in two fundraising rounds by Mirriad, investing a total of £351,000 across the two rounds, for further ordinary shares.

The *Significant VCT-qualifying investments* section of this review, and the Venture Capital Investments section of this report on pages 19 to 23, provide further information on Mirriad.

WP Acquisitions Limited

When the Company first invested in WP Acquisitions, in July 2012, it committed to making a follow-on investment of up to £372,000. In line with that commitment, in April 2013, the Company invested a further £371,863 for a mix of loan notes and ordinary shares.

Additionally, the Company advanced a short-term loan of £500,000 to WP Acquisitions in June 2013.

WP Acquisitions has since been acquired by Coolabi Group, as covered in the *Significant VCT-qualifying investments* section of this review.

Significant VCT-qualifying investments

The Company and the Investment Manager apply internal diversification guidelines, under which no Share Fund will ordinarily invest in any single business more than 15% of the net proceeds of offers for subscription for Shares in that particular class. However, distributions to shareholders and movements in portfolio valuations can give rise to the potential for the value of a given investment subsequently to exceed 15% of the relevant Share Fund's assets. These factors have contributed towards the Company's investments in Coolabi Group Limited and Intent HQ Limited, based on the valuations of those holdings as at 28 February 2014, now exceeding 15% of the Company's net assets.

Coolabi Group Limited (formerly North Promotions Limited)

Coolabi Group specialises in children's and family entertainment, with its business now spanning TV production, brand management and licensing, books and video games.

Significant levels of M & A activity in the children's sector in recent years have led to an absence of quality mid-sized businesses. The Investment Manager identified Coolabi as an opportunity to build a business to that level, thereby creating an attractive acquisition prospect for the larger sector players. When the Company first invested in Coolabi, it was listed on AIM, which imposed significant restraints on the business's ability to raise capital to pursue the very 'buy and build' strategy which the management team had been brought in to achieve. The Investment Manager viewed the management team as strong, based on long-standing working relationships with them; and the business as one which would fare much better in a private company environment, where its potential could be maximised without the pressure of shareholder demands for short-term results at the expense of longer-term growth. The Company therefore funded taking Coolabi private in late 2011, and has since backed the management team to build the business, through a combination of organic growth and acquisition.

The last 12 months has marked the most notable period of activity since Coolabi was taken private, and the Investment Manager and the Directors regard the business as now being poised to deliver significant growth.

In 2013, Coolabi Group announced that it was producing a second series of *Poppy Cat*, its pre-school animated series which has been broadcast in more than 100 countries. This was followed by the announcement that the company was producing a brand new series of the iconic *Clangers*, the first new episodes to be produced since the 1970s. During the year under review, Coolabi Group also undertook the preliminary work for the production of a further animated series, *Scream Street*, based on the successful books published by leading children's publisher, Walker Books; the announcement that *Scream Street* was to go into production was made in June 2014, after the end of the year.

Across these three productions, Coolabi Group has been able to establish very lucrative broadcast, distribution, publishing and merchandising relationships with the likes of the BBC, BBC Worldwide, PBS Sprout, ZDF, Penguin Books and Character Options.

In November 2013, Coolabi Group successfully acquired the Working Partners group of companies (through its parent company WP Acquisitions Limited) and the Beast Quest group of companies (through its parent company Beast Quest Acquisitions Limited). The Company held investments in both WP Acquisitions Limited and Beast Quest Acquisitions Limited, and Coolabi's purchase of the two groups resulted in additional preference shares and ordinary shares in Coolabi Group being issued to the Company in exchange for its holdings. Those transactions mean that Coolabi Group is now the largest investment in the Company's portfolio, and one in which all of the Share Funds participate.

Working Partners and Beast Quest specialise in the creation of serial fiction for children aged between 5 and 14, with more than 1,000 books in over 80 series now published

in more than 35 languages around the world. Ten of the book series have achieved sales in excess of one million copies each, and sales of the *Beast Quest* books alone have topped 11 million copies. Other successful book series created by Working Partners include *Seekers*, *Warriors*, *Survivors*, *Dinosaur Cove* and *Animal Ark*. In Working Partners and Beast Quest, the Coolabi management team and the Investment Manager identified businesses which were already highly profitable but which crucially also offered meaningful opportunities to carry established and valuable children's brands into different media other than books; to that end, the combination of the Coolabi team's expertise and the Working Partners and Beast Quest brands is already seeing new avenues opening up in film, TV, merchandising and video games.

These developments for Coolabi Group over the last year mean that 2014 and 2015 will see a step change in the value of the business, with its profitability anticipated to increase substantially over the next 18 months.

A third party investor invested £956,000 in Coolabi Group in November 2013, and a further £1,000,000 in April 2014; in accordance with the Company's valuation policy and the IPEVC Guidelines (explained on page 47 of this report), the Company's valuation of its investment in Coolabi Group is based upon the price paid by that third party across those two investments. As at 28 February 2014, therefore, the Company has valued its investment in Coolabi Group at £23.26 million, representing a cumulative uplift of 41% from its cost of investment.

Intent HQ Limited (formerly Global Dawn Limited)

Intent HQ's technology seeks to provide an important missing link in online and mobile marketing and advertising - a highly predictive human profile on each visitor to a company's website. Intent HQ's SaaS (*Software as a Service*) based deep-learning technology incorporates the next generation of artificial intelligence: starting with a visitor's social media data (such as from Facebook or Twitter), and augmenting that with the visitor's real-time mobile and web activity as well as history, Intent HQ's software creates a very detailed profile of that visitor which enables Intent HQ's customers to deliver personalised user experiences and marketing messages; as a result, Intent HQ's customers achieve improved in-depth audience insight and response rates, with the aim of enabling those customers substantially to increase their digital revenues as visitors stay longer on their websites, do more, buy more and come back more often.

As at 28 February 2014, the Company had invested a total of £8.78 million in Intent HQ on a VCT-qualifying basis, and £6.13 million on a non-qualifying basis. That investment, totalling £14.91 million, is represented by a cash cost of investment of £14.01 million and the reinvestment of £0.90 million of accrued interest earned on the Company's investment, and has been valued as at 28 February 2014 at £14.37 million.

On 26 February 2014, Intent HQ concluded an agreement with its existing principal investors, and also with Oxford Capital Partners, which provided for further investment in the business totalling £4.75 million, and a capital restructuring through the acquisition by Intent HQ Holdings Limited of the entire issued share capital and loan capital of Intent HQ; the completion of that investment and restructuring commenced in March 2014.

The £4.75 million investment represented the third phase of an overall fundraising round which has been in progress since July 2012, and which has seen a total of £10.2 million invested in the business; of that £10.2 million, £3.55 million has been invested by the Company. This most recent phase saw Oxford Capital Partners, a highly-respected investor in technology businesses, join the Intent HQ investor base, with a contribution to date of £2 million to the round. As mentioned on page 9, the Company invested £139,000 as part of this third phase; the Company has also committed to investing up to another £450,000. Although this most recent fundraising phase has resulted in a slight dilution in the short-term of the Company's investment in Intent HQ, it has been structured in a way as to ensure that the Company's share of returns from a positive exit is less affected, and remains attractive.

During the year under review, Intent HQ continued the development of its technology, and validated it through successful customer trials which demonstrated that Intent HQ's software achieved far better results than rival solutions.

At the same time, Intent HQ has strengthened its focus on sales activities, having identified its optimal market. Intent HQ has contracted customers including Sky, leading UK technology media publisher IDG, The Telegraph Group and the Food Network in the UK and USA. Intent HQ has also achieved a significant pipeline of customers including leading retail brands and publishers, who are currently trialling its software. Although it is anticipated that targeting larger businesses as potential customers will ultimately work to the benefit of the business, the short-term disadvantage of that strategy is the longer lead time associated with those larger businesses, resulting in a greater delay in achieving revenue generation from that pipeline of customers. Consequently, the company has not met its near-term income forecast.

Partly as a result of its revenues being behind forecast and partly to fund the cost of the development of additional software functionality, Intent HQ is now undertaking a fourth phase of the fundraising programme, seeking additional investment of up to £3 million, which is planned to see the company through to profitability. It is envisaged that some 40% of that phase's investment will come from the existing investors other than the Company, and with the balance of the phase coming from new sources drawn from the existing investors' extensive network of contacts and syndicate partners.

In line with the Company's valuation policy and the IPEVC Guidelines (explained on page 47 of this report), the valuation of the Company's holding in Intent HQ, at £14.37 million, reflects the price paid by all of the investors for loan notes and preference shares in the most recent phase of the fundraising, and the value placed on the business as a whole by all of the existing and new investors who participated in the restructuring. As at 31 August 2013, the Company had valued its holding in Intent HQ at £18.56 million, against a cash cost of investment of £13.86 million; the valuation as at 28 February 2014 therefore represents a reduction in value of £3.81 million from the last valuation, but £0.36 million above the Company's cash cost of investment.

The Company's valuation of its investment in Intent HQ is critically reliant on much of the fourth phase of the fundraising programme being completed and on Intent HQ successfully converting the opportunities in its pipeline into contracted relationships. If either or both of these transpire to be unreliable, it is likely that the value of the Company's investment in Intent HQ will reduce substantially. The Company's investment in Intent HQ must therefore continue to be regarded as high risk; that having been said, the Investment Manager has confidence in Intent HQ's ability to complete the fourth fundraising phase and in the growing evidence that Intent HQ's products and services have genuine commercial appeal.

Recent research suggests that the market for online content personalisation grew by one-third in 2013 to US \$18 billion and that the market for enhanced display advertising will grow from US \$3.4 billion in 2013 to US \$11 billion by 2017. Moreover the last 12 months have seen a substantial level of acquisition activity, as larger trade buyers have made strategic acquisitions to enable them to capitalise on this growth in the market. The Investment Manager continues to keep this under constant review, to identify appropriate exit opportunities for the Company's investment in Intent HQ.

Mirriad Limited

Mirriad's proprietary technology enables advertisements, brands and products to be inserted into finished programming, including catalogue programmes, in such a way that it appears not to be advertising at all, but a part of the programme. It does this digitally, at scale at the point of transmission rather than when the programme is made. This allows the advertising to be targeted by geography or demographic, as it can be different in each transmission and changed as often as required. The market for such "native advertising" is predicted to grow rapidly as consumers increasingly skip conventional TV advertising.

In 2013, the Investment Manager was instrumental in securing a strategic investment in Mirriad of £3 million by the Zee media group, the largest television producer and broadcaster in the Asia region. Mirriad is now working with Zee to roll out Mirriad's platform across Zee's extensive television networks, which include more than 670 million viewers in 169 countries.

Mirriad is also working with an increasing number of other national and international broadcasters, and now has customers in Australia, India, Europe and North and South America, with its technology being used in more than 100 television shows globally. Mirriad is working with many world-leading

brand companies, including Coca Cola, Unilever, Samsung, Levi's and Honda.

In May 2014, after the end of the year under review, Mirriad announced its move into online programming, with a ground-breaking deal with digital music video platform Vevo, designed to unlock significant new revenues for content owners and recording artists.

As at 28 February 2014, the Company has valued its investment in Mirriad at £3.27 million, representing an uplift of 39% from its £2.35 million cost of investment. This valuation is based on the share price paid by a third party investor shortly before the year end.

Handmade Mobile Entertainment Limited

As at 30 November 2013, the Company made a 25% write down provision, valuing the Company's investment as at that date at £1,500,000. The shareholders have taken the decision to transfer certain assets into a new US company, in order to incentivise the Los Angeles-based management and to facilitate the raising of additional capital from American investors. The Company will retain a shareholding in the new US company, and the Investment Manager believes that this restructuring is the best means of enabling Handmade Mobile Entertainment's further funding requirements. This restructuring has resulted in a valuation of Handmade Mobile Entertainment which has been agreed by all of its shareholders. However, given that the business continues to perform significantly below budget, and also given the current uncertainty of completing the further fundraising round, the Investment Manager has recommended that a further provision be taken; consequently, the Company has valued its investment in Handmade Mobile Entertainment as at 28 February 2014 at £100,000.

Portfolio performance

As at 28 February 2014, the NAV total return (i.e. the net asset value plus total dividends) per Share of each of the Share Funds stood at:

C Share Fund:

92.71p (98.74p as at 28 February 2013)

D Share Fund:

95.85p (97.02p as at 28 February 2013)

E Share Fund:

88.85p (84.82p as at 28 February 2013)

F Share Fund:

92.11p (91.64p as at 28 February 2013)

G Share Fund:

87.11p (90.12p as at 28 February 2013)

H Share Fund:

96.18p (92.95p as at 28 February 2013)

I Share Fund:

93.58p (91.09p as at 28 February 2013)

The principal contributor to the fall in the NAV total return for the C, D and G Shares was the revaluation of the Company's investment in Intent HQ, as explained on page 11. The increase in the NAV total return for the E, F, H and I Shares was driven in particular by the increase in value of the Company's investment in Coolabi Group.

Non-qualifying investments

Initially, the net proceeds of each of the Company's offers for subscription for Shares are invested in various fixed income securities, cash and cash equivalent assets, offering a high degree of capital preservation. Whilst a suitable level of return is sought, the Investment Manager has regarded, and will continue to regard capital preservation as an important consideration. Subsequently, up to 30% of each share fund will be maintained in such investments whilst the balance is reinvested in VCT-qualifying investments.

As at the end of the year under review, the non-qualifying liquidity portfolios were managed in conjunction with UBS.

During the year, the return on all of these funds averaged 0.2%, reflecting the continuing prevailing low yield environment.

As at 28 February 2014, the value of the treasury funds in the non-qualifying portfolio was as follows:

Manager	Share Fund	Value £'000
UBS	G	1,613
UBS	H	3,616
UBS	I	1,831
		7,060

In addition, non-qualifying investments have been made in investee companies across each of the Share Funds. Details can be found in the Investment Portfolios on pages 14 to 18. Of those non-qualifying investments, a total of £468,740 had been invested before the year under review, by way of a series of short-term loans to 20 different investee companies; those loans were all repaid in full, with interest, in April 2014, after the end of the year.

Fundraising

In January 2013, the Company opened an enhanced share buy-back offer to holders of C Shares. That offer closed in April 2013, resulting in the repurchase by the Company of 2.4 million C Shares at 100% of the then net asset value, namely 34.31p per C Share, and a total reinvestment by the participating shareholders of £0.83 million.

In February 2013, the Company opened a second offer for subscription for H Shares, which closed in June 2013, by which time applications for a total of 4.69 million H Shares had been received by the Company, representing gross funds raised of £4.5 million.

In November 2013, the Company opened a third offer for subscription for H Shares. As at the end of the year under review, the Company had received applications for 1.86 million H Shares. By the time the offer closed

on 6 June 2014, applications had been received for a total of 2.55 million H Shares, resulting in gross funds of £2.4 million.

Future realisation of portfolio investments

All of the investments held by the C Share Fund, save for its investments in Coolabi Group Limited and Intent HQ Limited, have now been realised, and the proceeds of those realisations distributed to C shareholders.

Of the investments held by the D Share Fund, all save for Coolabi Group Limited and Intent HQ Limited, and a small residual investment in Granon Entertainment Limited, have been realised, again with the realisation proceeds having been distributed by the Company to D shareholders.

As at the date of this report, the VCT-qualifying portfolio of the E Share Fund comprises investments in six companies, with the Company's investment in a seventh company, Rose Promotions Limited, having been realised in February 2014. The E Share Fund has just reached its fifth anniversary, meaning that the focus has now turned to realisation of the E Share Fund's portfolio. The Investment Manager anticipates being able to realise the investments in three of those companies, with a view to the proceeds being distributed to E shareholders later in 2014; it is currently expected that that distribution will, taken with the 28p per E Share dividends already paid to date, result in E shareholders having received total cumulative cash payments representing the recovery of a majority of their original net cost of investment (assuming income tax relief was obtained at 30% of the amount invested). As with the C and D Share Funds, these initial realisations will result in a remaining portfolio comprising the E Share Fund's investments in Coolabi Group and Intent HQ.

Of the companies in the portfolio in relation to which the Investment Manager is targeting growth and higher returns, a number have matured to the point where the Investment Manager can now actively consider exit opportunities. In the case of Coolabi Group, for example, one step closer to exit has been achieved by its acquisition of the Working Partners and Beast Quest businesses, and by its organic growth which will create a significant increase in profitability and thereby make the business an attractive proposition for potential buyers. Intent HQ has developed exciting technology and is gaining good momentum on its sales pipeline. Mirriad has significantly broadened its customer and geographical basis. The Investment Manager therefore now anticipates a programme of realisation of these investments commencing in 2015.

Outlook

With the C, D, E, F, G and I Share Funds all fully invested, the Investment Manager's principal focus is now on working with and mentoring the investee companies of those Share Funds, with a view to assisting the companies to achieve their growth potential, in order to maximise returns to the Company's shareholders.

In the case of the H Share Fund, focus is also on identifying suitable investment opportunities for the remaining uninvested funds. As at the date of this report, specific investment opportunities are being pursued which would result in the H Share Fund then also being fully invested in what the Investment Manager regards as a well-balanced portfolio of companies.

Edge Investments

Investment Manager

26 June 2014

Investment Portfolios

as at 28 February 2014

C Share Portfolio	2014			2013		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments						
Coolabi Group	172	286	12.4	172	172	6.0
Intent HQ	1,447	2,155	93.5	1,447	2,809	97.2
Total qualifying investments	1,619	2,441	105.9	1,619	2,981	103.2
Non-qualifying investments						
Coolabi Group	1	1	-	1	1	-
Total non-qualifying investments	1	1	-	1	1	-
Total fixed asset investments	1,620	2,442	105.9	1,620	2,982	103.2
Net current assets		(137)	(5.9)		(94)	(3.2)
Net assets		2,305	100.0		2,888	100.0

D Share Portfolio	2014			2013		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments						
Challi Productions	-	-	-	1,825	1,483	11.2
Coolabi Group	2,476	4,087	57.8	2,476	2,477	18.7
Granon Entertainment	488	223	3.2	1,735	1,614	12.2
HTM Promotions	-	-	-	2,000	1,606	12.2
Intent HQ	1,973	2,976	42.1	1,973	3,878	29.3
Rose Promotions	-	-	-	1,000	827	6.2
TRP 2009	-	-	-	1,000	911	6.9
Total qualifying investments	4,937	7,286	103.1	12,009	12,796	96.7
Non-qualifying investments						
Rose Promotions	-	-	-	29	29	0.2
TRP 2009	-	-	-	28	28	0.2
Total non-qualifying investments	-	-	-	57	57	0.4
Total fixed asset investments	4,937	7,286	103.1	12,066	12,853	97.1
Net current assets		(220)	(3.1)		381	2.9
Net assets		7,066	100.0		13,234	100.0

E Share Portfolio	2014			2013		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments						
Chapman Entertainment	391	-	-	391	-	-
Cloudroom Music	1,000	962	16.3	1,000	973	15.6
Coolabi Group	1,411	2,328	39.0	1,411	1,411	22.6
Intent HQ	1,774	1,362	22.8	1,774	1,774	28.4
Lads on Tour	1,000	1,023	17.2	1,000	886	14.2
Pepper Promotions	1,000	971	16.1	1,000	921	14.7
Rose Promotions	-	-	-	300	257	4.1
Total qualifying investments	6,576	6,646	111.4	6,876	6,222	99.6
Non-qualifying investments						
Cloudroom Music	24	24	0.4	24	24	0.4
Lads on Tour	24	24	0.4	24	24	0.4
Pepper Promotions	23	23	0.4	23	23	0.4
Total non-qualifying investments	71	71	1.2	71	71	1.2
Total fixed asset investments	6,647	6,717	112.6	6,946	6,293	100.8
Net current assets		(752)	(112.6)		(36)	(0.8)
Net assets		5,965	100.0		6,257	100.0

F Share Portfolio	2014			2013		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments						
Aurora Rising	1,000	962	4.6	1,000	894	3.9
Beast Quest Acquisitions	-	-	-	502	502	2.2
Black Dog Live	1,000	978	4.7	1,000	956	4.2
Chapman Entertainment	285	-	-	285	-	-
Clarksville Train	1,000	912	4.4	1,000	901	3.9
Closeto	1,000	993	4.8	1,000	993	4.4
Coolabi Group	4,637	6,746	32.3	2,951	2,951	12.9
Daydream Believer	1,000	976	4.7	1,000	865	3.8
Handmade Mobile	1,000	50	0.2	1,000	1,000	4.4
Intent HQ	1,285	986	4.7	1,508	1,508	6.6
Libra Live	1,000	916	4.4	1,000	977	4.3
Mirriad	1,000	1,437	6.9	1,000	1,000	4.4
Motti & Porg	1,000	978	4.7	1,000	1,011	4.4
Raphine	1,000	977	4.7	1,000	982	4.3
Sweet Right Peg	1,000	964	4.6	1,000	975	4.3
WP Acquisitions	-	-	-	688	702	3.1
Total qualifying investments	17,207	17,875	85.7	16,934	16,217	71.1
Non-qualifying investments						
Aurora Rising	23	23	0.1	23	23	0.1
Black Dog Live	24	24	0.1	24	24	0.1
Clarksville Train	23	23	0.1	23	23	0.1
Closeto	23	23	0.1	23	23	0.1
Daydream Believer	23	23	0.1	23	23	0.1
Intent HQ	3,315	2,545	12.2	3,092	3,092	13.6
Libra Live	24	24	0.1	24	24	0.1
Motti & Porg	24	24	0.1	24	24	0.1
Raphine	24	24	0.1	24	24	0.1
Sweet Right Peg	23	23	0.1	23	23	0.1
Total non-qualifying investments	3,526	2,756	13.1	3,303	3,303	14.5
Total fixed asset investments	20,733	20,631	98.8	20,237	19,520	85.6
Net current assets		263	1.2		3,291	14.4
Net assets		20,894	100.0		22,811	100.0

G Share Portfolio	2014			2013		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value Restated
Qualifying investments						
Beast Quest Acquisitions	-	-	-	1,097	1,097	5.5
Black Sheep Music	1,000	981	5.6	1,000	954	4.8
Coolabi Group	3,732	4,443	25.3	573	573	2.9
E7 Live	1,000	993	5.7	1,000	975	4.9
Grove Music	1,000	991	5.7	1,000	898	4.5
Handmade Mobile	1,000	50	0.3	1,000	1,000	5.0
Intent HQ	425	326	1.9	425	425	2.1
La Cage Productions	1,000	975	5.6	1,000	963	4.8
Mirriad	334	479	2.7	334	334	1.7
MM Promotions	1,000	964	5.5	1,000	949	4.7
Ramble On	1,000	964	5.5	1,000	976	4.9
Two Bridges Live	1,000	974	5.5	1,000	985	4.9
UltraNation	1,000	977	5.6	1,000	984	4.9
WP Acquisitions	-	-	-	1,140	1,163	5.8
Total qualifying investments	13,491	13,117	74.9	12,569	12,276	61.4
Non-qualifying investments						
Black Sheep Music	23	23	0.1	23	23	0.1
E7 Live	24	24	0.1	24	24	0.1
Grove Music	24	24	0.1	24	24	0.1
Intent HQ	2,810	2,157	12.3	2,810	2,810	14.1
La Cage Productions	23	23	0.1	23	23	0.1
MM Promotions	24	24	0.1	24	24	0.1
Ramble On	23	23	0.1	23	23	0.1
Two Bridges Live	23	23	0.1	23	23	0.1
UltraNation	23	23	0.1	23	23	0.1
Total non-qualifying investments	2,997	2,344	13.1	2,997	2,997	14.9
Total fixed asset investments	16,488	15,461	88.0	15,566	15,273	76.3
Net current assets		2,125	12.0		4,721	23.7
Net assets		17,586	100.0		19,994	100.0

H Share Portfolio	2014			2013		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value
Qualifying investments						
Beast Quest Acquisitions	-	-	-	147	147	7.1
Coolabi Group	500	733	11.5	45	45	2.1
Mirriad	637	810	12.6	286	286	13.8
Intent HQ	161	123	1.9	-	-	-
WP Acquisitions	-	-	-	153	156	7.5
Total qualifying investments	1,298	1,666	26.0	631	634	30.5
Non-qualifying investments						
WP Acquisitions	300	300	4.7	25	25	1.2
Total non-qualifying investments	300	300	4.7	25	25	1.2
Total fixed asset investments	1,598	1,966	30.7	656	659	31.7
Net current assets		4,451	69.3		1,422	68.3
Net assets		6,417	100.0		2,081	100.0

I Share Portfolio	2014			2013		
	Cost £'000	Valuation £'000	% of net assets by value	Cost £'000	Valuation £'000	% of net assets by value Restated
Qualifying investments						
Alchemy Live	1,000	946	6.9	1,000	1,000	6.9
Axis Live Entertainment	1,000	953	7.0	1,000	1,000	6.9
Beast Quest Acquisitions	-	-	-	654	654	4.6
Coolabi Group	2,458	3,311	24.3	70	70	0.5
Done & Dusted Live	750	701	5.1	750	750	5.3
Intent HQ	1,514	1,530	11.3	1,028	1,572	10.9
Mirriad	380	546	4.0	380	380	2.6
Real Gone Gigs	1,000	952	7.0	1,000	1,000	6.9
SEL Live Entertainment	1,000	948	7.0	1,000	1,000	6.9
WP Acquisitions	-	-	-	680	694	4.9
Total qualifying investments	9,102	9,887	72.6	7,562	8,120	56.
Non-qualifying investments						
Coolabi Group	615	829	6.1	9	9	0.1
Intent HQ	203	205	1.5	-	-	-
WP Acquisitions	200	200	1.5	-	-	-
Total non-qualifying investments	1,018	1,234	9.1	9	9	0.1
Total fixed asset investments	10,120	11,121	81.7	7,571	8,129	56.5
Net current assets		2,530	18.3		6,233	43.5
Net assets		13,651	100.0		14,362	100.0

Venture Capital Investments

as at 28 February 2014

Investment Portfolio

An overview of the Company's ten largest (by valuation) VCT-qualifying investments is provided below:

Coolabi Group Limited

Cost (£'000):	16,504
Valuation (£'000):	23,262
Basis of valuation:	Price of recent third party investment
Equity holding:	50% of voting rights

A leading player in the children's market, Coolabi Group specialises in the ownership, development, creative management and exploitation of high quality children's and family intellectual property assets. Coolabi's properties include *Poppy Cat*, *Scream Street*, the new TV series of *The Clangers* and the iconic *Purple Ronnie*. It also represents established favourites such as *Bagpuss* and *Ivor The Engine*. Moreover, since November 2013, Coolabi Group has owned the Working Partners and Beast Quest businesses of children's serial fiction, which include successful book series such as *Beast Quest*, *Sea Quest*, *Seekers*, *Warriors*, *Survivors*, *Dinosaur Cove* and *Animal Ark*.

Coolabi Group recently changed its year end to 31 March, to reflect its new trading cycle more closely. Coolabi Group has not yet filed accounts since the acquisition of the Working Partners and Beast Quest businesses. On a pro-forma basis, including the acquired businesses for the full period, the unaudited management accounts for the 15 months ended 31 March 2014 reported revenues of £6,034k and earnings before interest, tax, depreciation and amortisation ("EBITDA") of £1,200k. The first full financial year of trading of the expanded group will be the 12 months ending 31 March 2015, for which revenues and EBITDA are expected to be significantly higher than in the 15 months to 31 March 2014.

Intent HQ Limited

Cost (£'000):	14,907
Valuation (£'000):	14,367
Basis of valuation:	Price of recent third party investment
Equity holding:	44.36% of voting rights

Intent HQ's trade is the creation of technology that enables businesses to use social media to target customers. The company's technology allows businesses to increase customer numbers, decrease cost of customer acquisition and increase lifetime customer value. The product allows users to log into websites using their social logins, for example using their Facebook login. The technology then gathers user profiles from their social data to deliver personalised user experiences and marketing such as recommendations and personal messages. Users can also rate and recommend products to their friends offering a highly effective social referral service.

The company's most recent filed accounts cover the year ended 30 June 2013. In that period, consistent with the stage of the company's evolution, it reported revenues of £2,250 and an operating loss of £4.57 million.

Mirriad Limited

Cost (£'000):	2,351
Valuation (£'000):	3,272
Basis of valuation:	Price of recent third party investment
Equity holding:	10.88% of voting rights

Mirriad's business generates new revenue opportunities for content owners and new marketing opportunities for brands. Mirriad is an innovative technology company targeting the potential \$15 billion market for the placement of brands and advertising into television and other video content. Mirriad's unique proposition is a patented system to insert these marketing messages digitally at the point of broadcast rather than at the point of production. This means older content can be given a new commercial lease of life and brand placement can be targeted by territory and by channel in a way which would simply be uneconomic if it were done physically during the production of the programming.

Mirriad's accounts for the year ended 30 September 2013 reported revenues of £538k and an EBITDA loss of £3.3 million. Mirriad is still an early stage company which is investing heavily in developing its technology and international operations to support its planned growth. A significant loss for the year was consequently an expected part of its business plan and current stage of evolution. The company has been able to raise additional capital from new and existing institutional investors and has therefore been able to absorb these losses as it grows its business.

Lads On Tour Limited

Cost (£'000):	1,024
Valuation (£'000):	1,047
Basis of valuation:	Net asset value
Equity holding:	50.00% of voting rights

The founder of Lads On Tour, Martin Dacre, has over 30 years' experience as a music and entertainment lawyer, moving between private practice and in-house. He was a partner in the niche music practice Eaton & Burley in the 1980s before joining BMG-RCA in 1987 as a senior director, running the business and legal affairs department for the records, video and music publishing divisions. He returned to private practice in the 1990s as a partner at the renowned firm of Eatons, where he stayed through its merger with Mishcon de Reya. In 2004, he became the director of legal and business affairs for one of his major clients, the Eagle Rock Entertainment Group. He returned to private practice as a lawyer in 2009.

In the course of 2013, Lads On Tour promoted concerts by Ne-Yo and Will.i.am, amongst others, and co-promoted the new stage production of *Jesus Christ Superstar*.

In six months to 30 November 2013, Lads On Tour reported revenues of £219k and EBITDA of £99k.

Closeto Limited

Cost (£'000):	1,023
Valuation (£'000):	1,016
Basis of valuation:	Net asset value
Equity holding:	49.97% of voting rights

Closeto was founded by Steven Howard, who has enjoyed a successful career spanning nearly 30 years in the music business including senior posts as Managing Director of Zomba Music Publishing and as a director of Jive Records (home to Britney Spears, Backstreet Boys and 'N Sync). Artists with whom he has enjoyed considerable success over the year include Bryan Ferry, The Thompson Twins, Edwyn Collins' Orange Juice, The Stray Cats, The Boomtown Rats, Billy Ocean, A Flock of Seagulls, Womack and Womack, Thomas Dolby and Joy Division. He was the founder of TCB Group, which currently manages Lulu, the ballerina Darcey Bussell and 2009's *Britain's Got Talent* winners, Diversity; TCB Group has also been involved in the creation and staging of a number of musical productions, including *Viva La Diva* (starring Darcey Bussell & Katherine Jenkins) and *Here Come The Girls* (starring Lulu, Anastacia, Chaka Khan, Gloria Gaynor & Heather Small).

Events promoted by Closeto in 2013 included concerts by Rod Stewart, Gentleman's Dub Club and Matthew Morrison.

In the year ended 31 August 2013, Closeto reported revenues of £971k and EBITDA of £31k.

E7 Live Limited

Cost (£'000):	1,024
Valuation (£'000):	1,016
Basis of valuation:	Net asset value
Equity holding:	49.97% of voting rights

E7 Live was founded by Seven Webster, who has managed the careers of many worldwide established name hit artists over the last 18 years across the spectrum of music, ranging in style from dance DJs Sasha & Digweed through to multi-million selling singer songwriter Dido and hit producers StoneBridge and BT. He currently handles worldwide management of Skindred – Voted Winner of the Best UK Live Act award at this year's Golden God Awards by readers of *Metal Hammer Magazine*. Aside from his role as an artist manager, he has also acted as a freelance festival booker and consultant, booking a large number of festivals, including the Hard Rock Hell Festival, Hammerfest, the New Musical Express's NME Weekender, and SFX weekender, a successful science fiction weekend festival and convention.

In 2013, E7 Live promoted a number of concerts, including by Babyshambles, and also the German and Austrian dates of Justin Bieber's European tour.

In the year ended 31 July 2013, E7 Live reported revenues of £2,095k and EBITDA of £105k.

Grove Music Limited

Cost (£'000):	1,024
Valuation (£'000):	1,014
Basis of valuation:	Net asset value
Equity holding:	50.00% of voting rights

Grove Music was founded by Hywel Davies, who started in the music industry in 1977 as a violinist and conductor, working in theatre, light music, television and film as well as with various chamber and symphony orchestras, including the BBC Welsh Symphony Orchestra. From 1979 to 1983, he played with the Philharmonia Orchestra, with whom he toured extensively internationally.

After completing an MBA at London Business School in 1985, he became general manager of the City of London Sinfonia, responsible for all aspects of its operations. From 1986 until 1991, he was UK General Manager and subsequently European Managing Director of Discronics, one of the largest independent CD manufacturers in the world; in his time there, the European operations saw a threefold increase in turnover.

From 1991 to 1999, he was Managing Director of ASV Records, one of the UK's leading independent classical music labels, where he ultimately oversaw the sale of the company to Sanctuary Group; he remained with the Sanctuary Group after the sale, becoming Commercial Director, in which role his responsibilities spanned the Group's activities in the fields of music publishing, book publishing, records, sponsorship, merchandising, live agency and touring.

From 2004 to 2007, he worked as a non-executive director of the UK's recorded music trade association, the BPI, where his responsibilities included the staging of the annual Classical Brits awards show, and the negotiation of collective industry agreements with the Musicians' Union and Equity for the recording of classical music.

Since 2007, he has acted as consultant to a range of businesses in the music and entertainment field, including the London Chamber Orchestra and sports marketing agency, Essentially Group.

Concerts promoted by Grove Music during 2013 included by Matt Corby and Lindsey Stirling, as well as Scandinavian dates of Leonard Cohen's European tour.

In the year ended 31 August 2013, Grove Music reported revenues of £2,453k and EBITDA of £124k.

Black Sheep Music Limited

Cost (£'000):	1,023
Valuation (£'000):	1,004
Basis of valuation:	Net asset value
Equity holding:	49.95% of voting rights

Grant Black, the founder of Black Sheep Music, is a songwriter and music producer, who, over the last two decades, has written songs for artistes such as Sarah Brightman, Olly Murs, Holly Valance, Liberty X, Run DMC, Corrine Bailey Rae and JLS, and has worked with others such as Craig David, Bond and Heather Small (ex-M People).

In 2013, events promoted by Black Sheep Music included by Parov Stellar and Justin Bieber's concerts in France, Switzerland and Italy.

In the year ended 31 October 2013, Black Sheep Music reported revenues of £1,800k and EBITDA of £59k.

Black Dog Live Limited

Cost (£'000):	1,024
Valuation (£'000):	1,002
Basis of valuation:	Net asset value
Equity holding:	49.95% of voting rights

Travis Baxter, the founding shareholder and director of Black Dog Live, has extensive international management experience in the entertainment and media sector, including traditional broadcast media, new media, music and entertainment. He has in particular specialised in the creation of entertainment content and the management of creative businesses. Initially a producer and journalist with BBC Radio, he joined the RTL group as divisional managing director, overseeing the group's radio interests in the UK, Ireland and Scandinavia, after which he moved to become divisional managing director at Emap plc. Since the acquisition of Emap's business by Bauer Media, he has remained involved as a consultant, but also advises a number of other entertainment businesses in the UK and elsewhere in Europe. He is also a trustee of the Radio Academy and non-executive director of British Film Institute-funded regional screen agency, South West Screen.

In 2013, Black Dog Live promoted concerts by Emeli Sandé and Australasian dates by Justin Bieber, amongst others.

In the year ended 31 October 2013, Black Dog Live reported revenues of £1,529k and EBITDA of £54k.

Motti & Porg Limited

Cost (£'000):	1,024
Valuation (£'000):	1,002
Basis of valuation:	Net asset value
Equity holding:	49.95% of voting rights

Clive Black, the founder of Motti & Porg, started in the music business at the age of 16, initially as an office junior at Island Records, moving quickly into the label's artists and repertoire (A & R) function. He then joined EMI Records, where he became Director of A & R, and then continued this role at Warner Music UK until 1995. During these periods, he signed acts as diverse as Afrika Bambaataa, Marc Almond, Eternal, Mark Morrison and Babylon Zoo, and created the dance label Positiva within EMI, which became one of the most successful dance labels in the UK and Europe.

In 1995, he returned to EMI Records, becoming at the time the youngest ever Managing Director of a UK major record label. At EMI, he worked closely with a number of superstar acts including Diana Ross, Kate Bush and Sir Cliff Richard. By 1997, he had personally signed and released seven UK number one singles by six different artists.

In 2004, he left EMI to set up Blacklist Entertainment and Blacknight with Cliff Richard. Success followed with the number one single, "Millennium Prayer" by Cliff Richard, and the signing of classical crossover tenor, Russell Watson. As Chairman of Blacklist, he struck up a label deal with edel (UK) Records which saw him sign and develop artists in the UK and Europe. In June 2004, he completed a management buy-out of edel (UK) and its dance music imprint Free2Air Recordings, giving him ownership of both companies.

In June 2008, he was appointed business manager of the iconic record producer, Trevor Horn. He secured projects for Trevor Horn, including the production of Robbie Williams' last solo album. Shortly afterwards, he was promoted to the position of President of Horn's SPZ Group, overseeing all of the group's activities including the record labels, music publishing businesses, recording studio and production business (the legendary Sam Studios) and the live services arm. In 2011, following a reorganisation of the SPZ Group, he left SPZ to re-start Blacklist Entertainment. The events promoted by Motti & Porg in 2013 included concerts by PSB and Editors, as well as the North East Live festival in Sunderland. In the year ended 31 October 2013, Motti & Porg reported revenues of £2,360k and EBITDA of £22k.

The amounts recognised by the Company during the year under review as income from its ten largest (by valuation) VCT-qualifying investments were as follows:

Company	Income £'000
Coolabi Group Limited	3,381
Intent HQ Limited	(563)
Mirriad Limited	-
Lads On Tour Limited	48
Closeto Limited	48
E7 Live Limited	49
Grove Music Limited	49
Black Sheep Music Limited	49
Black Dog Live Limited	48
Motti & Porg Limited	48

The remaining VCT-qualifying investments in the Company's portfolio as at 28 February 2014 are summarised below

Company	Nature of business	Cost of investment £'000	Valuation £'000	Basis of valuation	Equity holding (voting rights)
UltraNation Limited	Live event promotion	1,023	1,000	NAV	49.97%
Raphine Limited	Live event promotion	1,023	1,000	NAV	49.97%
Daydream Believer Limited	Live event promotion	1,023	1,000	NAV	49.97%
Pepper Promotions Limited	Live event promotion	1,023	995	NAV	49.95%
MM Promotions Limited	Live event promotion	1,023	988	NAV	49.97%
Sweet Right Peg Limited	Live event promotion	1,023	987	NAV	49.95%
Cloudroom Music Limited	Live event promotion	1,023	986	NAV	49.95%
Real Gone Gigs Limited	Live event promotion	1,000	952	NAV	49.97%
Alchemy Live Limited	Live event promotion	1,000	946	NAV	49.97%
Libra Live Limited	Live event promotion	1,023	940	NAV	49.95%
Done & Dusted Live Limited	Live event promotion	750	701	NAV	49.97%
Granon Entertainment Limited	Live event promotion	488	223	NAV	50.00%
Handmade Mobile Entertainment Limited	Mobile application development	2,000	100	Discounted third party price	13.10%
Chapman Entertainment (Pavilion) Limited	Children's entertainment	676	-	Fully provided	27.60%

This report has been prepared by the Directors in accordance with the requirements of Section 414C of the Companies Act 2006. The Directors consider that the annual report and accounts of the Company for the year ended 28 February 2014 as a whole is fair, balanced and understandable and provides the information necessary for the members of the Company to assess the Company's performance, business model and strategy.

The Company's independent auditor is required by law to report on whether the information given within the strategic report is consistent with the financial statements. The auditor's report is set out on pages 38 and 39.

Investment strategy

Edge Performance VCT has pioneered an approach which was designed to address the key issues which the Directors believe have in the past deterred some individuals from investing in VCTs, namely the ability to recover the net cost of investment as soon as possible after five years, and the perceived level of risk of the underlying investments. Edge, using the skills of the Directors and the investment team of the Investment Manager who collectively have a depth of sector experience in the entertainment industry, seeks to allow investors to take advantage of VCT tax reliefs whilst combining:

- high targeted returns;
- downside risk protection; and
- liquidity.

Edge's structure aims to minimise the risk to the investor, whilst still permitting the investor to benefit from attractive returns by utilising arrangements that seek to combine high targeted returns with reduced downside risk and enhanced liquidity. The majority of the portfolio investments will be made through loan finance which should provide additional capital protection.

Further detail of the Company's investment policy is given on page 3.

The Directors do not foresee any major changes in the activity undertaken by the Company in the foreseeable future. The Company's priorities in the short and medium term are (i) continuing to satisfy the requirement under VCT rules that, in respect of funds which are three or more years old, at least 70% by value of its investments are in shares or securities comprised in VCT-qualifying holdings and (ii) closely monitoring the performance of the investment portfolios with the aim of maximising their performance, and (iii) identifying suitable realisation opportunities in particular for the portfolio holdings in the C Share, D Share and E Share Funds.

Results and dividends

A detailed review of the Company's development and performance during the year and consideration of its future prospects may be obtained by reference to this report, the Chairman's statement (pages 4 and 5) and the Investment Manager's review (pages 9 to 13). Details of the venture capital investments made by the Company are given in the investment portfolios (pages 14 to 18) and the venture capital investments report (pages 19 to 23). A summary of the

Company's key financial measures is given on pages 1 and 2. Details of important events occurring after the balance sheet date can be found in Note 19 to the financial statements on page 60.

The net asset value total return per Share comprises the net asset value per Share plus cumulative dividends paid per Share. Net asset value is calculated at least quarterly with investments valued in accordance with the International Private Equity and Venture Capital Valuation Guidelines. During the year under review, the Company's net asset value total returns per Share changed as shown in the table on page 12.

Over the same period, the FT All Share Media Index rose by 19.0%. Graphs comparing, for each of the Company's Share classes, the Share price total return, the net asset value total return per Share and the total return from a notional investment of 100p in the FT All Share Media Index over the period from 5 April in the relevant year to 28 February 2014 are presented on page 33.

As shown in the Company's income statement on page 40, the Company's returns per Share in the year ended 28 February 2014 were:

	C Share Fund	D Share Fund	E Share Fund	F Share Fund	G Share Fund	H Share Fund	I Share Fund
Revenue return per Share, pence	(1.47)	2.76	3.46	2.14	2.28	0.99	2.16
Capital return per Share, pence	(4.55)	(3.93)	0.56	(1.68)	(5.28)	3.56	0.32
Total return per Share, pence	(6.02)	(1.17)	4.02	0.46	(3.00)	4.55	2.48

Comparatives for year ended 28 February 2013 were:

	C Share Fund	D Share Fund	E Share Fund	F Share Fund	G Share Fund	H Share Fund	I Share Fund
Revenue return per Share, pence	1.54	3.04	3.02	2.41	1.96	(0.05)	2.31
Capital return per Share, pence	(1.82)	(3.40)	(9.50)	(4.27)	(4.24)	(0.78)	(3.98)
Total return per Share, pence	(0.28)	(0.36)	(6.48)	(1.86)	(2.28)	(0.83)	(1.67)

Final dividends in respect of the year ended 28 February 2013 were paid during the year ended 28 February 2014 as follows:

- 7p per E Share
- 7p per F Share
- 7p per G Share
- 7p per I Share

An interim dividend in respect of the year ended 28 February 2013 of 3.5p per H Share was paid during the year ended 28 February 2014.

An interim dividend in respect of the year ended 28 February 2014 of 31p per D Share was paid during the year ended 28 February 2014.

An interim dividend in respect of the year ended 28 February 2014 of 3.5p per H Share was paid after the year end, on 13 June 2014.

The Board recommends the payment of the following final dividends in respect of the year ended 28 February 2014:

- 7p per F Share
- 7p per G Share
- 7p per I Share

Principal risks and uncertainties

The Board has adopted a risk management programme whereby it continually identifies the principal risks faced by the Company and reviews both the nature and effectiveness of the internal controls adopted to protect the Company from such risks as far as is possible.

The Board believes that the principal risks to which the Company is exposed are:

- economic risk – events such as a downturn in the media sector or a tightening of credit facilities may adversely affect the Company's investee companies and make successful divestments less likely;
- investment risk – the adoption of inappropriate investment policies, sourcing too few investment opportunities of the required standard, and taking investment decisions without having undertaken sufficiently robust due diligence;
- financial risk – poor financial controls which may lead to the misappropriation of assets or inappropriate financial decisions and breaches of regulations through deficient financial reporting; and
- regulatory – failure to comply with any of the regulations to which the Company is subject which include the provisions of the Companies Act 2006, the Listing Rules, applicable Accounting Standards and VCT rules.

Further information about the Company's internal controls is given in the statement of corporate governance on pages 34 to 36.

Changes in legislation

The Finance Bill, published in March 2014, which is expected to receive Royal Assent in July 2014, will introduce new rules for venture capital trusts, including:

- the effective removal of any new upfront income tax relief where a VCT shareholder participates in an enhanced share buy-back; and
- a prohibition on a VCT returning capital to its shareholders within three financial years after the financial year during which the relevant shares are issued.

The Board does not currently anticipate that these changes will have a material impact on the Company.

Total expense ratio

The total expense ratio, calculated as the year's expenses (as disclosed in the income statement) divided by the average net asset value across the year, was 2.86%. Under the terms of the investment management agreement, the running costs of the Company (excluding the Investment Manager's performance related incentive fee, trail commission, irrecoverable VAT and costs of any significant corporate activity) are restricted to a maximum of 3.0% of the net asset value of the Company. Any excess will be paid by the Investment Manager. For the year ended 28 February 2014, the relevant running costs were 2.58% of the Company's average net asset value; therefore, no excess was payable in respect of the year.

Gender diversity

The Board has considered the recommendations of the UK Corporate Governance Code (the "UK Code") concerning gender diversity and welcomes initiatives aimed at increasing diversity generally. The Board believes, however, that all appointments should be made on merit rather than positive discrimination. The policy of the Board is that maintaining an appropriate balance around the board table through a diverse mix of skills, experience, knowledge and background is of paramount importance and gender diversity is a significant element of this.

Companies Act 2006 disclosures

The Company had no employees during the year and the Company has six non-executive directors, all of which are male. The Board recognises the requirement to detail information about any Company employees and social and community issue; including information about any policies it has in relation to these matters and effectiveness of these policies. The Company, being an externally managed investment company with no employees, has no policies in relation to social, community and human rights issues.

Future prospects

With the most recent H Share offer now having closed, the H Share Fund has an additional amount available for investment. The continuing difficulties encountered by small- and medium-sized businesses in securing bank financing, coupled with the Investment Manager's and the Board's extensive range of contacts within the creative industries sector, mean that current dealflow is of a sufficient quality and at a sufficient level that the Investment Manager anticipates being able to invest those additional funds in suitable new VCT-qualifying investments within a relatively short period of time.

A number of the companies in the existing portfolio have reached, or will shortly reach, a stage of maturity which will enable the Company to commence a programme of realisation, and this is a significant priority for the Investment Manager and the Board over the coming year.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

26 June 2014

Directors' Report

Directors

The Directors who have served throughout the year under review and who continue to serve are Sir Robin Miller, Michael Eaton, David Glick, Frank Presland, Kevin Falconer and Lord Flight.

In accordance with the Company's articles of association, Michael Eaton and Kevin Falconer will retire by rotation at the Company's 2014 annual general meeting. Michael Eaton has confirmed that he does not intend to stand for re-election at the meeting. Kevin Falconer will stand for re-election. Following a performance evaluation, the Chairman of the Company is satisfied that Mr Falconer's performance continues to be effective, and that he has demonstrated commitment to his role, including devoting time for meetings of the Board and relevant Board committees, and other duties. The Board therefore recommends that Mr Falconer be re-elected as a Director at the annual general meeting.

David Glick is also a director of the Investment Manager, and is therefore required by the Listing Rules to submit himself for re-election, on an annual basis, by the shareholders; the Company's 2014 annual general meeting will therefore consider a proposal for his re-election as a Director.

Brief biographical details of the current Directors are given on pages 6 and 7.

In accordance with the independence provisions of the Listing Rules, and in particular 15.2.12A, the Company should have a majority of the Board who are not also directors of another company managed by the Manager. The Board fully complies with this obligation.

Share capital

On 5 April 2013, 7 April 2013 and 27 June 2013, a total of 4,685,878 H Shares were allotted and issued for cash to various subscribers who submitted valid applications under the offers for subscription made through the Company's prospectus dated 18 February 2013.

On 4 April 2013, 1 May 2013 and 25 October 2013, under the terms of the Company's enhanced share buy-back offer document dated 18 January 2013, 2,648,106 existing C Shares were bought back by the Company, and 2,584,766 new C Shares were allotted and issued.

The Company operates a policy of buying back Shares for cancellation. During the year, no Shares were bought back at the request of the relevant shareholders.

As at 28 February 2014, the issued share capital of the Company was as follows:

Share Class	Number of Shares in issue
C	9,330,098
D	19,172,500
E	9,801,952
F	29,379,532
G	24,056,803
H	6,924,978
I	15,766,414
Total	114,432,277

As at the date of this report, the issued share capital of the Company is as follows:

Share Class	Number of Shares in issue
C	9,330,098
D	19,172,500
E	9,801,952
F	29,379,532
G	24,056,803
H	9,474,517
I	15,766,414
Total	116,981,816

At a general meeting of the Company, every shareholder has one vote on a show of hands, and on a poll, one vote for each Share held.

On a winding-up or return of capital, the assets of the Company attributable to a particular Share class shall be distributed rateably among shareholders according to the number of Shares held in that class.

Investment management agreement

On 8 November 2013, the Company entered into a new investment management agreement with the Investment Manager which replaced the previous investment management agreement with effect from 1 March 2014. The appointment is for an initial period ending on 11 April 2018 (11 April 2019 in respect only of the H Share Fund) and may be terminated thereafter by either party on 12 months' notice, such notice to be served at the end of the initial period or at any time thereafter.

Under the terms of the investment management agreement, the Investment Manager will receive: (a) an annual management fee of 1.75% of the net asset value attributable to the C Shares, D Shares, E Shares F Shares, G Shares and I Shares, in each case plus VAT (if applicable); (b) an annual management fee of 2.25% of the net asset value attributable to the H Shares plus VAT (if applicable); and (c) a performance fee which is outlined in more detail below.

Unless otherwise agreed from time to time between the Company and the Investment Manager, the Investment Manager will be responsible for external costs, such as legal and accounting fees, incurred in relation to the negotiation and (if applicable) completion of all VCT-qualifying investments. The Investment Manager retains the right to charge arrangement, monitoring, syndication, exit and directors' fees to the businesses in which the Company invests. Such charges are in line with industry practice and the arrangement fees typically amount to between 1% and 3% of the amount of each investment plus VAT (if applicable). The Investment Manager will normally nominate one of its directors to act as a director of each investee company.

In respect of each class of Shares separately (save the H Shares), once total paid or declared dividends have reached £1.00 per C Share, D Share, E Share, F Share, G Share or I Share (as the case may be) all further amounts which, in the opinion of the Board, are available to be distributed as dividends will be paid as to 80% as a dividend to C shareholders, D shareholders, E shareholders, F shareholders, G

shareholders or I shareholders (as the case may be) and 19% to the Investment Manager by way of performance fee. Once total paid or declared dividends have reached £1.20 per C Share, D Share, E Share, F Share, G Share or I Share (as the case may be) all further amounts which, in the opinion of the Board, are available to be distributed as dividends will be paid as to 70% as a dividend to C shareholders, D shareholders, E shareholders, F shareholders, G shareholders or I shareholders (as the case may be) and 29% to the Investment Manager by way of performance fee.

In respect of the H Shares, once and for so long as cumulative dividends paid or declared equal or exceed an average of 7p per H Share per annum, the Investment Manager will receive a performance fee equal to 19% of the net asset value per H Share in excess of £1.00. Once and for so long as cumulative dividends paid or declared equal or exceed an average of 14p per H Share per annum, the Investment Manager will receive a performance fee equal to 29% of the net asset value per H Share in excess of £1.00. That calculation will be made on a six-monthly basis, by reference to the Company's published annual report and financial statements and the Company's published half-yearly financial statements.

In respect of share buy-backs undertaken in relation to some, but not all, shareholders, the Investment Manager will be entitled to a performance fee in respect of such distributions, to the extent that the proceeds of those buy-backs results in the cumulative amount paid to the relevant shareholders exceeding an applicable hurdle or threshold as set out above.

The performance fees described above are to be paid in cash and can be assigned by the Investment Manager to some or all of its investment team.

As explained on page 30, a performance fee of 1% (calculated on the same basis as the Investment Manager's performance fee) is also payable to Robin Miller Consultants Limited.

Administrative services agreement

On 18 February 2013, the Company entered into a new administrative services agreement with the Investment Manager, under which the Investment Manager has agreed to provide administrative services to the Company. Under this agreement, the Investment Manager will receive a fixed fee of £275,000 per annum (plus VAT, if applicable), such fee to be adjusted annually by reference to the movement in the Retail Prices Index in the second and subsequent years of the appointment. The appointment is for an initial period ending on 11 April 2018 and may be terminated thereafter by either party on 12 months' notice, such notice to be served at the end of the initial period or at any time thereafter.

Investment Manager's engagement

The Board is responsible to shareholders for the proper management of the Company and for determining the Company's investment policy. Investment and divestment opportunities are originated, negotiated and decided on by the Investment Manager. Company secretarial and accountancy services are provided to the Company by, respectively, The City Partnership (UK) Limited and HW Fisher & Company.

In reviewing the work of the Investment Manager, the Board looks to be satisfied that:

- the Company's investment policy is being followed;
- each investment or divestment decision is subjected to rigorous due diligence;
- risk is further mitigated by investing across a sufficiently diverse range of businesses and by maintaining a balance between equity and loan stock exposure; and
- the portfolio will meet the HMRC VCT conditions.

In consideration of the Company's financial performance, the Board, taking account of the comparatively long term nature of the Company's investments, pays particular attention to net asset value total return per Share, total expense ratio and performance against the FT All Share Media Index (which is considered to be the most appropriate broad equity market index for comparative purposes).

As noted above, the Company entered into a new investment management agreement with the Investment Manager on 8 November 2013, with that agreement approved by shareholders at a general meeting of the Company held on 12 December 2013. In recommending that agreement to the shareholders, the Board considered that the conclusion of the new agreement, and its terms, were in the best interests of the Company and the shareholders as a whole, and had been advised by the Company's listing sponsor, Dickson Minto W.S., that the new agreement was fair and reasonable.

Annual running costs

If the annual running costs of the Company in any year exceed 3% of the net assets of the Company, the Investment Manager will be responsible for the excess. For these purposes, annual running costs of the Company include, amongst other things, the annual management fees described above, the administrative services fee described below, Directors' remuneration, company secretarial and accounting fees, audit, taxation advice, sponsor's and registrar's fees and the costs of communicating with shareholders, but exclude irrecoverable VAT, trail commission payable to financial intermediaries, the Investment Manager's performance fee described above and the cost of significant corporate activity.

Global greenhouse gas emissions

The Company has no direct greenhouse gas emissions to report from its operations, being an externally managed investment company.

Substantial shareholdings

So far as the Company is aware, as at 28 February 2014 and as the date of this report, the only persons who, directly or indirectly, have an interest of 3% or more of the Company's issued share capital or voting rights are set out below:

Name	Shares held as at 28 February 2014	% of issued Shares as at 28 February 2014	Shares held as at the date of this report	% of issued Shares as at the date of this report
UBS Private Banking Nominees Limited	7,011,132	6.1	7,025,882	6.0
Chase Nominees Limited	9,819,900	8.6	9,897,150	8.5
Forest Nominees Limited	6,413,562	5.6	6,260,062	5.4

Accountability and audit

The statement of Directors' responsibilities is set out on page 37. The independent auditor's report is set out on pages 38 and 39. The Directors who held office at the date of the approval of this Directors' report confirm that, so far as they are aware, there is no relevant information of which the Company's auditor is unaware and that the Directors have taken all the steps they ought to have taken to make themselves aware of any relevant information and to establish that auditor is aware of that information.

Independent auditor

Grant Thornton UK LLP has expressed its willingness to continue in office as auditor to the Company and resolutions proposing the reappointment and authorising the Directors to determine the remuneration for the ensuing year will be put to shareholders at the Company's 2014 annual general meeting.

2014 annual general meeting

The Company's 2014 annual general meeting will be held at 10.00 am on 7 August 2014 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW. Notices of the annual general meeting and of separate meetings of the holders of each class of Share, together with explanatory notes of the business of the annual general meeting, can be found on pages 61 to 79.

By order of the Board

The City Partnership (UK) Limited

Company Secretary

26 June 2014

Directors' Remuneration Report

This report has been prepared by the Directors in accordance with the requirements of the Companies Act 2006 and The Large and Medium sized Company and Groups (Accounts and Reports) (Amendments) Regulations 2013 (the "Regulations"). Ordinary resolutions for the approval of the Directors' remuneration policy and the Directors' remuneration report will be proposed at the 2014 annual general meeting.

The Company's auditor, Grant Thornton UK LLP, is required to give its opinion on certain information included in this report. The disclosures which have been audited are indicated as such. Its report is set out on pages 38 and 39.

Annual statement from the Chairman of the Company

There have been no changes to Directors' remuneration in the year to 28 February 2014. The Directors' fees have been set at the same level since November 2010. Directors' fees are reviewed annually and are set by the Board to attract individuals with the appropriate range of skills and experience. In determining the level of fees their duties and responsibilities are considered, together with the level of time commitment required in preparing for and attending meetings. The remit of the remuneration committee is included in the statement of corporate governance on pages 34 to 36.

The Board carried out a performance evaluation of the Board, committees and individual Directors during the year. Due to the size of the Company, the fact that the majority of the Directors are independent non-executive directors and the costs involved, external facilitators are not used in the evaluation of the Board. The Directors concluded that the balance of skills and Directors is appropriate and all Directors contribute fully to discussion in an open, constructive and objective way. The size and composition of the Board and its committees are considered adequate for the effective governance of the Company.

Remuneration committee

During the year under review, the members of the Company's remuneration committee, a fully constituted board committee, were Sir Robin Miller and Michael Eaton. As Michael Eaton is not standing for re-election as a Director at the Company's forthcoming annual general meeting, his replacement on the remuneration committee will be announced shortly.

The committee's primary function is to determine each Director's remuneration.

The committee did not meet in the year ended 28 February 2014.

The committee has not received any advice or services from any person in respect of the Directors' remuneration during the year under review.

Directors' remuneration policy

The remuneration committee considers that Directors' fees should reflect the time commitment required and the high level of responsibility borne by Directors, and should be broadly comparable to the fees paid by similar companies.

At a general meeting held on 24 November 2010, it was resolved that the maximum aggregate amount which may be paid out of the funds of the Company as fees to Directors of the Company who are not managing or executive directors is:

- in respect of the Company's financial year ending 28 February 2011, £110,000 (exclusive of VAT); and
- in respect of each subsequent accounting period of the Company, the maximum amount applicable to the immediately preceding accounting period of the Company, increased by the percentage increase (if any) during such preceding accounting period in the general index of retail prices for all the items (RPI02) published by the Office for National Statistics (exclusive of VAT).

Prior to this resolution, the Company's articles of association had placed an overall annual limit of £75,000 (exclusive of VAT) on the Directors' remuneration.

The Company operates a performance-related incentive scheme from which two Directors, David Glick and Sir Robin Miller, may benefit. Details of the scheme are set out on pages 27 and 28.

Under the scheme, the performance fee payable to the Investment Manager is to be paid in cash and can be assigned by the Investment Manager to some or all of the Investment Manager's investment team. David Glick will benefit through his shareholding in the Investment Manager.

Under the letter of appointment between the Company and Robin Miller Consultants Limited, Robin Miller Consultants Limited is entitled, in respect of the C, D, E, F, G, H and I Share funds, to receive a performance fee of 1% (calculated on the same basis as the Investment Manager's performance fee). Sir Robin Miller will benefit through his shareholding in Robin Miller Consultants Limited.

It is the intention of the Board that, unless any revision to the policy is deemed necessary, this policy will continue to apply in the forthcoming and subsequent financial years. The Board has not received any views from the Company's shareholders in respect of the levels of Directors' remuneration.

Assuming that this policy is approved by the shareholders at the forthcoming annual general meeting, it is intended that this policy will continue for the year ending 28 February 2015 and subsequent years. In accordance with applicable regulations, an ordinary resolution to approve the Directors' remuneration policy will be put to shareholders at least once every three years.

Directors' annual report on remuneration

All of the Directors are non-executive and therefore there is no Chief Executive Officer. The Company does not have any employees. In the absence of a CEO or employees, there is no CEO or employee information to disclose.

Terms of Appointment

The Company's articles of association provide that the Directors shall retire and be subject to re-election at least every three years. None of the Directors has a service contract with the Company. On being appointed, Directors receive a letter from the Company setting out the terms of their appointment and their specific duties and responsibilities. A Director's appointment may be terminated by the Director or by the Company on the expiry of six months' notice in writing given by the Director or the Company, as the case may be.

Directors' fees for the year (audited)

The fees payable to individual Directors in respect of the year ended 28 February 2014 are shown in the table below (net of VAT & employer's National Insurance contributions). Sir Robin Miller's and Michael Eaton's fees were paid to Robin Miller Consultants Limited and MusicLore Limited respectively in consideration for their services.

No performance fees were paid to Robin Miller Consultants Limited during the year ended 28 February 2014.

No taxable benefits were paid to the directors, no pension related benefits were paid to the Directors and no money or other assets were received or receivable by the Directors for the relevant financial year. No payments were made to past directors or any payments made for loss of office.

Relative importance of spend on pay

The table below shows the remuneration paid to Directors and shareholder distributions in the year to 28 February 2014 and the prior year:

Director	Total fee paid for year ended 28 February 2014 £	Annual fee £	Total fee paid for year ended 28 February 2013 £	Annual fee £
Sir Robin Miller (chairman)	20,000	20,000	20,000	20,000
Kevin Falconer (audit committee chairman)	17,500	17,500	17,500	17,500
Michael Eaton	15,000	15,000	15,000	15,000
Frank Presland	15,000	15,000	15,000	15,000
David Glick	15,000	15,000	15,000	15,000
Lord Flight	15,000	15,000	11,250	15,000

	Percentage increase/ (decrease)	2014 £'000	2013 £'000
Total dividend paid to shareholders	7.8%	11,704	10,858
Shares bought back from shareholders	(72.2%)	909	3,268
Total Directors' fees	4.0%	97.5	93.8

Directors' shareholdings (audited)

The interests of the current Directors and their connected persons in the share capital of the Company as at 28 February 2014 are shown below.

	No of C Shares as at 28 February 2014	Percentage holding %	No of D Shares as at 28 February 2014	Percentage holding %	No of E Shares as at 28 February 2014	Percentage holding %	No of F Shares as at 28 February 2014	Percentage holding %
Sir Robin Miller	-	-	53,000	0.28	-	-	-	-
Michael Eaton	-	-	-	-	-	-	-	-
David Glick	21,629	0.23	21,200	0.11	1,000	0.01	1,000	0.01
Frank Presland	-	-	10,600	0.06	10,500	0.11	-	-
Kevin Falconer	-	-	-	-	-	-	-	-
Lord Flight	-	-	-	-	-	-	-	-

	No of G Shares as at 28 February 2014	Percentage holding %	No of H Shares as at 28 February 2014	Percentage holding %	No of I Shares as at 28 February 2014	Percentage holding %
Sir Robin Miller	16,050	0.07	-	-	10,300	0.07
Michael Eaton	-	-	-	-	-	-
David Glick	21,600	0.09	80,697	1.17	98,280	0.62
Frank Presland	-	-	-	-	8,173	0.05
Kevin Falconer	-	-	-	-	-	-
Lord Flight	57,200	0.24	-	-	32,400	0.21

Comparative shareholdings as at 28 February 2013 are noted below:

	No of C Shares as at 28 February 2013	Percentage holding %	No of D Shares as at 28 February 2013	Percentage holding %	No of E Shares as at 28 February 2013	Percentage holding %	No of F Shares as at 28 February 2013	Percentage holding %
Sir Robin Miller	-	-	53,000	0.54	-	-	-	-
Michael Eaton	-	-	-	-	-	-	-	-
David Glick	11,500	0.12	21,200	0.11	1,000	0.01	1,000	0.00
Frank Presland	-	-	10,600	0.06	10,500	0.11	-	-
Kevin Falconer	-	-	-	-	-	-	-	-
Lord Flight	-	-	-	-	-	-	-	-

	No of G Shares as at 28 February 2013	Percentage holding %	No of H Shares as at 28 February 2013	Percentage holding %	No of I Shares as at 28 February 2013	Percentage holding %
Sir Robin Miller	16,050	0.07	-	-	10,300	0.07
Michael Eaton	-	-	-	-	-	-
David Glick	21,600	0.09	26,125	1.17	98,280	0.62
Frank Presland	-	-	-	-	8,173	0.05
Kevin Falconer	-	-	-	-	-	-
Lord Flight	57,200	0.24	-	-	32,400	0.21

The G Shares shown above as held by Lord Flight include 20,800 G Shares held by his wife, Lady Flight, and 10,400 G Shares held by his daughter, Miss C Flight.

The H Shares shown above as held by Lord Flight include 10,800 I Shares held by his wife, Lady Flight, and 10,800 I Shares held by his daughter, Miss C Flight.

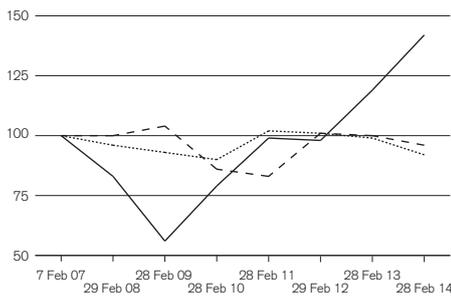
There have been no changes in the holdings of the Directors between 28 February 2014 and the date of this report. The Company has not set out any formal requirements or guidelines for a Director to own Shares in the Company.

Company performance

The graphs below compare the Share price total returns for the C, D, E, F, G, H and I Shares and the net asset value total returns per Share for the C, D, E, F, G, H and I Shares with the total returns from a notional investment of 100p in the FT All Share Media Index over the same periods. This index is considered to be the most appropriate broad equity market index for comparative purposes.

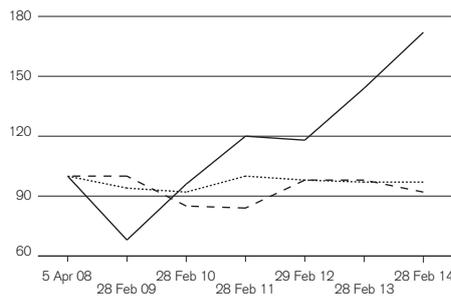
C Shares

Period from 5 April 2007 to 28 February 2014



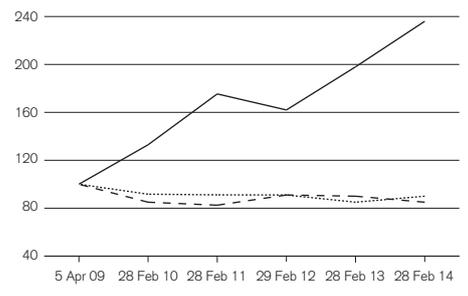
D Shares

Period from 5 April 2008 to 28 February 2014



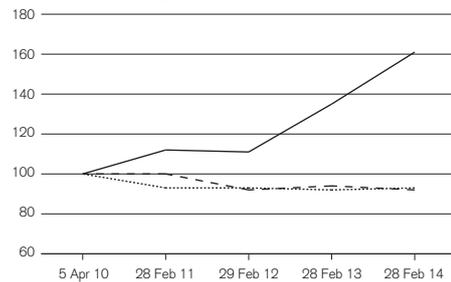
E Shares

Period from 5 April 2009 to 28 February 2014



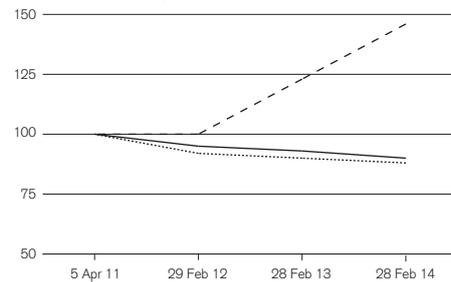
F Shares

Period from 5 April 2010 to 28 February 2014



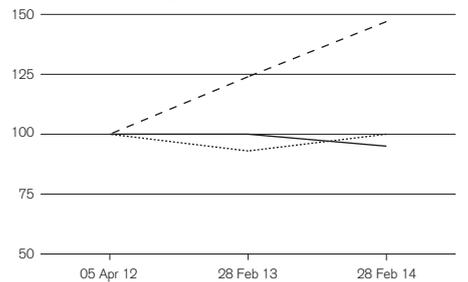
G Shares

Period from 5 April 2011 to 28 February 2014



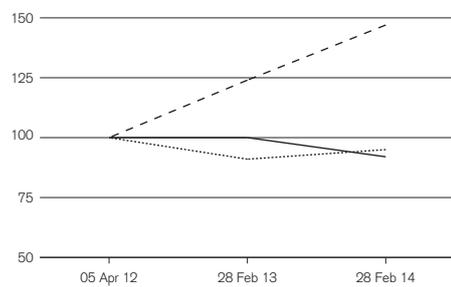
H Shares

Period from 5 April 2012 to 28 February 2014



I Shares

Period from 5 April 2012 to 28 February 2014



— Index
 NAV total return per share
 - - - Share price total return

The Share price total return and net asset value total return per Share comprise the Share price and net asset value per Share respectively together with the cumulative dividends paid.

At the last annual general meeting held on 31 July 2013, 97.1% of votes cast were in favour of, and 2.9% against, the resolution approving the Directors' remuneration report (including the remuneration policy). An ordinary resolution for the approval of the Directors' annual report on remuneration will be put to shareholders at the forthcoming annual general meeting.

By order of the Board

The City Partnership (UK) Limited
 Company Secretary
 26 June 2014

Statement of Corporate Governance

This statement forms part of the Directors' report

Statement of compliance

The Directors confirm that the Company has taken appropriate action to enable it to comply with the principles of the UK Code.

As a venture capital trust, most of the Company's day-to-day responsibilities are delegated to third parties and the Directors are all non-executive. Thus, not all the provisions of the UK Code are directly applicable to the Company. Apart from the matters referred to in the following paragraphs, the requirements of the UK Code were complied with throughout the year ended 28 February 2014.

In view of its non-executive nature and the requirements of the Company's articles of association that all Directors retire by rotation at the annual general meeting, the Board considers that the Directors need not be appointed for a specific term as recommended by the UK Code. All Directors have rolling term appointments with a six month notice period. Full details of duties and obligations are provided at the time of appointment and are supplemented by further details as necessary. In light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to the Manager and the company secretary, the Company has not appointed a chief executive, deputy chairman or a senior independent non-executive Director. When a new Director is appointed, he or she is offered an induction programme arranged with the Investment Manager.

Board of Directors

The Company has a board of six non-executive Directors, five of whom are considered to be independent. The remaining Director, David Glick, is also a director of the Investment Manager. The Company has no staff.

Four of the Directors have signed letters confirming the terms of their appointment as non-executive Directors with effect from 18 January 2006; one Director has signed such a letter with effect from 19 January 2011; the sixth Director has signed such a letter with effect from 18 October 2011.

At each annual general Meeting of the Company, at least one-third of the Directors shall retire from office by rotation. A retiring Director is eligible for re-election.

Directors are provided with key information on the Company's activities including regulatory and statutory requirements and internal controls by the Company's solicitors, the Company's VCT status adviser, the company secretary and the Investment Manager. The Board has direct access to corporate governance advice and compliance services through the company secretary, who is responsible for ensuring that Board procedures are followed and compliance requirements are met.

All Directors may take independent professional advice in furtherance of their duties as necessary. Any newly appointed Director will be given a comprehensive introduction to the Company's business including meeting the Company's advisers.

When Directors have concerns that cannot be resolved about the running of the Company or a proposed action, they are asked to ensure that their concerns are recorded in a board minute. On resignation, a Director who has any such concerns is encouraged to provide a written statement to the Chairman, for circulation to the Board.

The Board is responsible to shareholders for the proper management of the Company and aims to meet at least quarterly. It has formally adopted a schedule of matters which must be brought to it for decision, thus ensuring that it maintains full and effective control over appropriate strategic, financial, operational

and compliance issues. The chairman together with the company secretary establishes the agenda for each board meeting and all necessary papers are distributed in advance of the meetings. The Board considers all matters not included within the remits of the board committees.

All the Directors are equally responsible for the proper conduct of the Company's affairs. In addition, the Directors are responsible for ensuring that the policies and operations are in the best interests of the Company's shareholders and that the best interests of creditors and suppliers to the Company are properly considered.

Board committees

There are three board committees: an audit committee, a remuneration committee and a nomination committee. Copies of their terms of reference are available from the company secretary.

Audit committee

The audit committee comprises at least two independent Directors. The members of the audit committee are currently Michael Eaton, Lord Flight and Kevin Falconer (chairman). In accordance with the UK Code, at least one member of the audit committee has recent and relevant financial experience. A quorum is two members of the committee.

As Michael Eaton is not standing for re-election as a Director at the Company's forthcoming annual general meeting, the Board is currently considering its options in relation to his replacement on the audit committee.

Written terms of reference have been constituted for the audit committee and include the following key duties:

- to monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them;

- to review the Company's internal financial controls and, unless expressly addressed by a separate board risk committee composed of independent Directors, or by the board itself, to review the Company's internal control and risk management systems;
- to make recommendations to the board, for it to put to shareholders in general meeting, in relation to the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor; and
- to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.

During the year ended 28 February 2014, the audit committee discharged the responsibilities described above. Its activities included:

- formally reviewing the final annual report and financial statements, the half-yearly report, the interim management statements and the associated announcements, with particular focus on the main areas requiring judgement and on critical accounting policies;
- reviewing the effectiveness of the internal controls system;
- meeting with the external auditor and reviewing its findings; and
- reviewing the performance of the Investment Manager and making recommendations to the Board.

The significant issue addressed by the audit committee in relation to the financial statements was the valuation of the Company's unquoted investments. The valuation methodologies employed by the Manager were reviewed and reference was made to both the external auditor and the International Private Equity and Venture Capital Valuation Guidelines; and the valuations determined by the Manager were examined against financial and performance information concerning the companies in which investments were held.

The audit committee has managed the relationship with the external auditor and assessed the effectiveness of the audit process. When assessing the effectiveness of the process for the year under review, the audit committee considered the auditor's technical knowledge and that the auditor has a clear understanding of the business of the Company; that the audit team is appropriately resourced; that the auditor provided a clear explanation of the scope and strategy of the audit and that the auditor maintained independence and objectivity. As part of the review of auditor effectiveness and independence, Grant Thornton UK LLP has confirmed that it is independent of the Company and has complied with applicable international standards on auditing. Grant Thornton UK LLP has held office as auditor since August 2011.

Remuneration committee

This is a fully constituted board committee established primarily to determine each Director's remuneration. The committee comprises at least two independent Directors. The members of the remuneration committee are currently Michael Eaton and Sir Robin Miller. As Michael Eaton is not standing for re-election as a Director at the Company's forthcoming annual general meeting, his replacement on the remuneration committee will be decided shortly. A quorum is two members of the committee.

Nomination committee

This is a fully constituted board committee established primarily to identify and nominate, for the approval of the Board, candidates to fill board vacancies as and when they arise and to monitor and review the effectiveness and performance of individual Directors. The committee comprises at least two members, no less than one of whom must be an independent Director. The members of the nomination committee are currently Michael Eaton and Sir Robin Miller. As Michael Eaton is not standing for re-election as a Director at the Company's forthcoming annual general meeting, his replacement on the nomination committee will be decided shortly. A quorum is two members of the committee.

In considering appointments to the Board, the nomination committee takes into account the ongoing requirements of the Company and the need to have a balance of skill and experience within the Board. The nomination committee also considers the annual re-election of Directors. When recommending new candidates to the Board, the Directors draw on their extensive business experience and range of contacts to identify suitable candidates. The use of formal advertisements and external consultants is not considered cost-effective given the size of the Company.

During the year ended 28 February 2014, there were:

- 3 board meetings convened to consider general business (and several other board meetings convened to consider business specific to the offers for subscription made by the Company during the year under review)
- 3 meetings of the audit committee
- no meetings of the remuneration committee
- no meetings of the nomination committee

Attendance at Board and committee meetings

The Directors' attendance at the board meetings convened to consider general business, and at committee meetings, is noted below.

Director	Board	Audit Committee	Remuneration Committee	Nomination Committee
Sir Robin Miller	3/3	N/A	No meeting in year	No meeting in year
Michael Eaton	3/3	3/3	No meeting in year	No meeting in year
David Glick	3/3	N/A	N/A	N/A
Frank Presland	3/3	N/A	N/A	N/A
Kevin Falconer	3/3	3/3	N/A	N/A
Lord Flight	3/3	3/3	N/A	N/A

Relations with shareholders

The Board welcomes the views of shareholders and puts a premium on effective communication with the Company's members.

All written communication with shareholders is reviewed by the Board to ensure that shareholder enquiries are promptly and adequately resolved.

Shareholders are encouraged to attend the Company's general meetings where the Directors and representatives of the Company's advisers are available to answer any questions members may have. The Board also communicates with shareholders through interim and annual reports which include a Chairman's statement and an Investment Manager's report, both of which are reviewed and approved by the Board to ensure that they present a fair assessment of the Company's position and future prospects.

Internal control

The Board has established an ongoing process for the identification, evaluation and management of the significant risks faced by the Company. The Board acknowledges that it is responsible for the Company's internal control systems and for reviewing their effectiveness. Internal controls are designed to manage the particular needs of the Company and the risks to which it is exposed. The internal control systems aim to

ensure the maintenance of proper accounting records, the reliability of the financial information on which business decisions are made and which is used for publication, and that the assets of the Company are safeguarded. They can by their nature provide only reasonable and not absolute assurance against material misstatement or loss. The financial controls operated by the Board include regular reviews of both the financial results and investment performance.

The Board has delegated to third parties the provision of: investment management services; legal and VCT status advisory services; day-to-day accounting, company secretarial and administration services; and share registration services.

Each of these contracts was entered into after full and proper consideration by the Board of the quality and cost of services offered. The Board receives and considers regular reports from the Investment Manager. Ad hoc reports and information are supplied to the Board as required. The Board keeps under review the terms of the agreement with the Investment Manager.

Review of internal control

The process adopted by the Board for identifying, evaluating and managing the risks faced by the Company includes an annual review of the control systems. The review covers a consideration of the significant risks

in each of five areas: statutory and regulatory compliance, financial reporting, investment strategy, investment performance and reputation.

Each risk is considered with regard to; the likelihood of occurrence, the probable impact on the Company and the controls exercised at source, through reporting and at Board level.

The Board is satisfied with the effectiveness of the Company's controls.

Internal audit

The Company does not have an independent internal audit function. Such a function is thought by the Board to be unnecessary at this time, given the size of the Company and the nature of its business. However, the audit committee considers annually whether an independent internal audit function should be introduced and reports its conclusions to the Board.

Going concern

After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue to operate for the foreseeable future. In arriving at this conclusion, the Directors have considered the liquidity of the Company and its ability to meet obligations as they fall due. As at 28 February 2014, the Company held cash balances, corporate bonds and other liquidity funds with a combined value of £9.2 million. Cash flow projections have also been prepared and monitored and show that the Company has sufficient funds available.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

26 June 2014

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether all applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that they have complied with these requirements.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, Directors' report, Directors' remuneration report and statement of corporate governance which complies with law and those regulations.

In the case of each of the persons who are Directors of the Company at the date of approval of this report:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware;
- the Directors have taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information; and
- the report and financial statements, taken as a whole, are fair, balanced and understandable and provide the necessary information for shareholders to assess the Company's performance, business model and strategy.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. The work carried out by Grant Thornton UK LLP as independent auditor of the Company does not involve consideration of the maintenance and integrity of the website and accordingly Grant Thornton UK LLP accepts no responsibility for any changes which may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the strategic report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces .

Sir Robin Miller
Chairman

26 June 2014

Independent Auditor's Report

to the members of Edge Performance VCT plc

We have audited the financial statements of Edge Performance VCT plc for the year ended 28 February 2014, which comprise the income statement, the balance sheet, the reconciliation of movements in shareholders' funds, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the statement of Directors' responsibilities set out on page 37, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) (the "ISAs"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Auditor commentary

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third party service providers. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and the third party service providers, and inspecting records and documents held by the third party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of a misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information, would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We established materiality for the financial statements as a whole to be £664,000, which is 0.8% of the Company's total assets. For the revenue column of the income statement, we determined that misstatements for a lesser amount than

materiality for the financial statements as a whole would make it probable that the judgement of a reasonable person, relying on the information, would have been changed or influenced by a misstatement or omission. Accordingly, we established materiality for the revenue column of the income statement to be £166,000.

We have determined the threshold at which we communicate misstatements to the audit committee to be £33,000. In addition, we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Our assessment of risk

Without modifying our opinion, we highlight the following matters that are, in our judgement, likely to be most important to users' understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual transactions, balances or disclosures.

Recognition of revenue from investments

Investment income is the Company's major source of revenue and a significant, material item in the income statement. Accordingly, the recognition of investment income is therefore a risk that requires particular audit attention.

Our audit work included, but was not restricted to, assessing whether the Company's accounting policy for revenue recognition is in accordance with the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', obtaining an understanding of management's process and controls for recognising revenue in accordance with the stated accounting policy and testing whether a sample of revenue transactions has been recognised in accordance with the policy.

The Company's accounting policy on the recognition of revenue from investments and the components of that revenue are included in Note 1(e) and Note 2 respectively.

Valuation of investments

The Company's business is investing in financial assets with the aim of achieving capital returns. Investments are the largest asset in the financial statements, and they are designated as being at fair value through profit or loss in accordance with FRS 26 "Financial instruments: recognition and measurement". Measurement of the value of unquoted investments includes significant assumptions and judgements. We therefore identified the valuation of unquoted investments as the significant risk requiring special audit consideration.

Our audit work included, but was not restricted to: obtaining an understanding of how the valuations were performed by the Investment Manager; consideration of whether the valuations were made in accordance with published guidance, in particular the International Private Equity and Venture Capital Guidelines; discussions with the Investment Manager, reviewing and challenging the reasonableness of both the valuation model used and the assumptions made by the Investment Manager, including corroboration of financial inputs to investee management accounts and other supporting information; verification that the change in the fair value of the investments has been correctly recognised in the income statement and an assessment of the effectiveness of the audit committee's review and approval of the valuation of the investments.

The Company's accounting policy on the valuation of unquoted investments is included in Note 1(b), and its disclosures about unquoted investments held at the year end are included in Note 9.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2014 and of its return for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other reporting responsibilities

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable, and whether the annual report appropriately discloses those matters that were communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules, we are required to review:

- the Directors' statement, set out on page 33, in relation to going concern; and
- the part of the corporate governance statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Julian Bartlett

Senior Statutory Auditor

for and on behalf of
Grant Thornton UK LLP
Statutory Auditor, Chartered
Accountants
London

26 June 2014

Income Statement

for the year ended 28 February 2014

	Note	Year ended 28 February 2014			Year ended 28 February 2013		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses/gains on valuation of investments at fair value through profit or loss		-	(1,903)	(1,903)	-	(3,808)	(3,808)
Income	2	4,598	-	4,598	4,285	-	4,285
Investment Manager's fees	3	(381)	(1,143)	(1,524)	(405)	(1,215)	(1,620)
Other expenses	4	(600)	(238)	(838)	(712)	(203)	(915)
Return on ordinary activities before tax		3,617	(3,284)	333	3,168	(5,226)	(2,058)
Tax on ordinary activities	6	(1,299)	668	(631)	(634)	634	-
Return attributable to equity shareholders		2,318	(2,616)	(298)	2,534	(4,592)	(2,058)
Transfer to reserves		2,318	(2,616)	(298)	2,534	(4,592)	(2,058)
Return per Share							
Return per C Share	8	(1.47)p	(4.55)p	(6.02)p	1.54p	(1.82)p	(0.28)p
Return per D Share	8	2.76p	(3.93)p	(1.17)p	3.04p	(3.40)p	(0.36)p
Return per E Share	8	3.46p	0.56p	4.02p	3.02p	(9.50)p	(6.48)p
Return per F Share	8	2.14p	(1.68)p	0.46p	2.41p	(4.27)p	(1.86)p
Return per G Share	8	2.28p	(5.28)p	(3.00)p	1.96p	(4.24)p	(2.28)p
Return per H Share	8	0.99p	3.56p	4.55p	(0.05)p	(0.78)p	(0.83)p
Return per I Share	8	2.16p	0.32p	2.48p	2.31p	(3.98)p	(1.67)p

The total column of this statement represents the income statement of the Company. All revenue and capital items in the above statement derive from continuing operations. The Company has only one class of business and derives its income from investments made in shares, securities and bank deposits. The Company has no gains and losses other than those recognised in the income statement above and has not therefore prepared a separate statement of total recognised gains and losses.

The accompanying notes on pages 47 to 60 are an integral part of the financial statements.

Income Statement

for the year ended 28 February 2014

Unaudited Non-Statutory Analysis between the C, D, E, F, G, H and I Share Funds

	Revenue £'000	Capital £'000	C Share Fund Total £'000	Revenue £'000	Capital £'000	D Share Fund Total £'000
Losses/gains on valuation of investments at fair value through profit or loss	-	(425)	(425)	-	(651)	(651)
Income	(112)	-	(112)	987	-	987
Investment Manager's fees	(13)	(38)	(51)	(58)	(174)	(232)
Other expenses	(24)	(8)	(32)	(69)	(37)	(106)
Return on ordinary activities before tax	(149)	(471)	(620)	860	(862)	(2)
Tax on ordinary activities	12	44	56	(329)	108	(221)
Return attributable to equity shareholders	(137)	(427)	(564)	531	(754)	(223)
Transfer to reserves	(137)	(427)	(564)	531	(754)	(223)
Return per share	(1.47)	(4.55)	(6.02)	2.76	(3.93)	(1.17)

	Revenue £'000	Capital £'000	E Share Fund Total £'000	Revenue £'000	Capital £'000	F Share Fund Total £'000
Losses/gains on valuation of investments at fair value through profit or loss	-	102	102	-	(311)	(311)
Income	585	-	585	1,254	-	1,254
Investment Manager's fees	(28)	(82)	(110)	(100)	(299)	(399)
Other expenses	(36)	(18)	(54)	(165)	(64)	(229)
Return on ordinary activities before tax	521	2	523	989	(674)	315
Tax on ordinary activities	(181)	53	(128)	(357)	181	(176)
Return attributable to equity shareholders	340	55	395	632	(493)	139
Transfer to reserves	340	55	395	632	(493)	139
Return per Share	3.46	0.56	4.02	2.14	(1.68)	0.46

Income Statement

for the year ended 28 February 2014

Unaudited Non-Statutory Analysis between the C, D, E, F, G, H and I Share Funds

	Revenue £'000	Capital £'000	G Share Fund Total £'000	Revenue £'000	Capital £'000	H Share Fund Total £'000
Losses/gains on valuation of investments at fair value through profit or loss	-	(1,111)	(1,111)	-	307	307
Income	1,053	-	1,053	155	-	155
Investment Manager's fees	(87)	(263)	(350)	(33)	(99)	(132)
Other expenses	(157)	(54)	(211)	(49)	(17)	(66)
Return on ordinary activities before tax	809	(1,428)	(619)	73	191	264
Tax on ordinary activities	(261)	156	(105)	(11)	34	23
Return attributable to equity shareholders	548	(1,272)	(724)	62	225	287
Transfer to reserves	548	(1,272)	(724)	62	225	287
Return per Share	2.28	(5.28)	(3.00)	0.99	3.56	4.55
				Revenue £'000	Capital £'000	I Share Fund Total £'000
Losses/gains on valuation of investments at fair value through profit or loss				-	186	186
Income				676	-	676
Investment Manager's fees				(62)	(188)	(250)
Other expenses				(100)	(40)	(140)
Return on ordinary activities before tax				514	(42)	472
Tax on ordinary activities				(172)	92	(80)
Return attributable to equity shareholders				342	50	392
Transfer to reserves				342	50	392
Return per Share				2.16	0.32	2.48

Balance Sheet

as at 28 February 2014

Company Registration No: 05558025 (England and Wales)

	Note	As at 28 February 2014 £'000	As at 29 February 2013 £'000
Fixed assets			
Investments at fair value through profit or loss	1 & 9	65,626	65,709
Current assets			
Debtors	11	3,518	4,340
Corporate bond & other liquidity funds	1	7,060	11,191
Cash at bank		2,098	1,446
		12,676	16,977
Creditors: amounts falling due within one year	12	(4,418)	(1,059)
Net current assets		8,258	15,918
Net assets		73,884	81,627
Capital and reserves			
Called up share capital	13	11,513	11,051
Share premium account	14	1	14,842
Special reserve	14	63,502	56,833
Capital redemption reserve	14	675	410
Realised capital reserve	14	(4,450)	(3,107)
Unrealised capital reserve	14	(3,761)	(2,488)
Revenue reserves	14	6,404	4,086
		73,884	81,627
Net asset value per C Share, pence	15	24.71	30.74
Net asset value per D Share, pence	15	36.85	69.02
Net asset value per E Share, pence	15	60.58	63.82
Net asset value per F Share, pence	15	71.11	77.64
Net asset value per G Share, pence	15	73.11	83.12
Net asset value per H Share, pence	15	92.68	92.95
Net asset value per I Share, pence	15	86.58	91.09

The accompanying notes on pages 47 to 60 are an integral part of the financial statements.

The financial statements were authorised for issue by the Directors on 26 June 2014 and signed on their behalf by:

Sir Robin Miller
Director

David Glick
Director

Balance Sheet

for the year ended 28 February 2014

Unaudited Non-Statutory Analysis between the C, D, E, F, G, H and I Share Funds

as at 28 February 2014

Company Registration No: 05558025 (England and Wales)

Restated	C Share Fund £'000	D Share Fund £'000	E Share Fund £'000	F Share Fund £'000	G Share Fund £'000	H Share Fund £'000	I Share Fund £'000
Fixed assets							
Investments at fair value through profit or loss	2,442	7,286	6,717	20,632	15,461	1,967	11,121
Current assets							
Debtors	-	111	681	412	521	1,489	304
Corporate bond & other liquidity funds	-	-	-	-	1,613	3,616	1,831
Cash at bank	167	(8)	(822)	597	46	1,642	476
	167	103	(141)	1,009	2,180	6,747	2,611
Creditors: amounts falling due within one year	(304)	(323)	(611)	(747)	(55)	(2,297)	(81)
Net current assets	(137)	(220)	(752)	262	2,125	4,450	2,530
Net assets	2,305	7,066	5,965	20,894	17,586	6,417	13,651
Capital and reserves							
Called up share capital	933	1,917	980	2,938	2,406	692	1,647
Share premium account	1	-	-	-	-	-	-
Special reserve	994	4,870	5,425	18,317	16,621	5,454	11,821
Capital redemption reserve	675	-	-	-	-	-	-
Realised capital reserve	(1,171)	(1,111)	(405)	(566)	(578)	(97)	(522)
Unrealised capital reserve	(302)	(185)	(700)	(1,533)	(2,027)	307	78
Revenue reserves	571	1,575	665	1,738	1,164	62	627
	2,305	7,066	5,965	20,894	17,586	6,417	13,651
Net asset value per C Share, pence	24.71						
Net asset value per D Share, pence		36.85					
Net asset value per E Share, pence			60.85				
Net asset value per F Share, pence				71.11			
Net asset value per G Share, pence					73.11		
Net asset value per H Share, pence						92.68	
Net asset value per I Share, pence							86.58

Reconciliation of Movements in Shareholders' Funds

for the year ended 28 February 2014

	2014 £'000	2013 £'000
Total net assets attributable at 28 February 2013	81,627	79,610
Capital per share issues	5,503	17,855
Expenses of issue/buyback	(335)	(1,187)
Share buy-back	(909)	(3,068)
Return for the year	(298)	(2,058)
Dividends	(11,704)	(9,525)
Closing shareholders' funds at 28 February 2014	73,884	81,627

Unaudited Non-Statutory Analysis between the C, D, E, F, G, H and I Share Funds

Reconciliation of Movements in Shareholders' Funds

for the year ended 28 February 2014

	C Share Fund £'000	D Share Fund £'000	E Share Fund £'000	F Share Fund £'000	G Share Fund £'000	H Share Fund £'000	I Share Fund £'000
Opening shareholders' funds as previously reported	2,888	13,234	6,257	22,811	19,994	2,081	14,362
Share capital subscribed for in the year	913	-	-	-	-	4,590	-
Expenses of issue/buyback	(23)	-	-	-	-	(312)	-
Share buy-back	(909)	-	-	-	-	-	-
Return for the year	(564)	(223)	395	139	(724)	287	392
Dividends	-	(5,945)	(687)	(2,056)	(1,684)	(229)	(1,103)
Closing shareholders' funds at 28 February 2014	2,305	7,066	5,965	20,894	17,586	6,417	13,651

Cash Flow Statement

for the year ended 28 February 2014

	Note	Year ended	
		28 February 2014	29 February 2013
		£'000	£'000
Operating activities			
Investment Manager's fees paid		(1,787)	(1,617)
Company secretarial fees paid		(47)	(48)
Movement in working capital		2,460	(9,520)
Cash paid to and on behalf of Directors		(100)	(101)
Investment income		1,713	3,613
Net cash inflow/(outflow) from operating activities	16	2,239	(7,673)
Financial investment			
Purchase of unquoted investments		(10,326)	(17,063)
Sale of unquoted investments		12,203	4,239
Loan notes		-	(2,349)
Net cash inflow/(outflow) from financial investment		1,877	(15,173)
Tax paid		(119)	
Net cash outflow from tax		(119)	
Equity dividends paid		(11,704)	(9,525)
Net cash outflow from dividends		(11,704)	(9,525)
Net cash outflow before financing		(7,707)	(32,371)
Movement of liquid resources		4,100	11,608
Financing			
Buy-back and cancellation of Shares		(909)	(3,068)
New Share issues		5,503	17,855
Share issue expenses		(335)	(1,187)
Net cash inflow from financing		4,259	13,600
Increase/(Decrease) in cash		652	(7,163)
Reconciliation of net cash flow to movement in net funds			
Increase in cash		652	(7,163)
Opening cash position		1,446	8,609
Opening liquid resources position		11,191	22,263
Opening net funds position		12,637	30,872
Closing cash position		2,098	1,446
Closing liquid resources position		7,060	11,191
Closing net funds position		9,158	12,637

The accompanying notes on pages 47 to 60 are an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year, is set out below.

a) Basis of accounting

The accounts have been prepared in accordance with applicable UK Accounting Standards and with the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' ('SORP'), revised in January 2009.

The Company is no longer an investment company as defined by section 833 of the Companies Act 2006. Investment company status was revoked by the Company in September 2007.

b) Fixed asset investments

Purchases or sales of investments are recognised at the date of the transaction. Transaction costs on acquisition are included within the initial recognition and the profit or loss on disposal is calculated net of transaction costs on disposal.

All investments are valued at fair value by the Company using methodology that is consistent with the International Private Equity and Venture Capital Valuation Guidelines (IPEVC) from time to time.

Quoted securities are valued at the price within the bid / ask spread that is most representative of fair value at the relevant date. The Company did not hold any quoted investments at any time during the year under review.

Unquoted investments made within the last twelve months are valued at cost except where there is any material change or event which has a bearing on the value of the investee company (such as, for example, a significant amount of new investment made in the investee company by a third party), in which case an appropriate revaluation is made.

Subsequently, unquoted investments will be valued by the most recent material arm's-length transaction by an unconnected third party in the shares or other securities of an investee company. In the absence of such a transaction, the investment will be valued as follows;

- Where the investee company is in the early stage of development, the investment will normally continue to be valued at cost.
- Where the investee company is well established after one year from the date of investment, the shares or securities may be valued by applying a suitable price-earnings ratio to that company's historical post-tax earnings or, where more appropriate, to that company's earnings before interest, tax, depreciation and amortisation ("EBITDA"). The ratio used is based on a comparable listed company or sector, where available, but discounted to reflect lack of liquidity in the shares or securities concerned; where no suitable comparable listed company or sector data is available, comparable data from transactions in unquoted shares or securities may be used. Alternative methods of valuation may be applied if they are considered more appropriate, for example: a suitable ratio applied to historic revenues, forecast revenues, forecast post tax earnings or forecast EBITDA; discounted projected cash flows; or net asset value.
- Fixed asset loan investments are recognised at their fair value, normally determined on the basis of the expected future cash flows.

The value of portfolio investments at the balance sheet date was derived as follows;

	Valuation £'000	Valuation type as % of total value
Net asset value	24,624	37.50%
Price of recent third party transaction	40,902	62.30%
Discounted price of latest third party transaction	100	0.20%
	65,626	100.00%

Income from fixed asset loan investments is recognised to reflect the effective interest rate, provided there is no reasonable doubt that payment will be received in due course.

Gains and losses arising from changes in the fair value of the investments are included as a capital item in the income statement for the relevant period.

It is not the Company's policy to exercise control or significant influence over investee companies. Therefore, in accordance with the exemptions under Financial Reporting Standard 9 'Associates and Joint Ventures', those entities in which the Company holds more than 20 per cent, but less than or equal to 50 per cent, of the voting rights are not regarded as associates.

1. Accounting policies (continued)

c) Current asset investments

These investments are classified as current asset investments as they are investments held for the short term. In accordance with FRS 26 investments in corporate bonds or similar liquidity funds used for cash management are classified as held for trading and included at their fair value.

d) Income

Interest income on loan stock and dividends on preference shares are accrued on a daily basis. Provision is made against this income where recovery is doubtful. Where the terms of unquoted loan stocks only require interest or redemption premium to be paid on redemption, the interest and redemption premium is recognised once redemption is reasonably certain. Interest is accrued daily and included with the valuation of the investment.

Dividends receivable on listed equity shares are recognised on the ex-dividend date.

e) Expenses

All expenses (inclusive of VAT where appropriate) are accounted for on an accruals basis. Expenses are charged wholly to revenue, with the exception of expenses incidental to the acquisition or disposal of an investment and with the exception that 75% of the fees payable to the Investment Manager and 75% of irrecoverable VAT, which are charged against capital. Other administrative fees and expenses are allocated to the individual Share Funds based on the net asset value of each Share Fund.

Issue costs are deducted from the share premium account.

f) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or right to pay less, tax in the future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Due to the Company's status as a Venture Capital Trust, and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

2. Income

	2014 £'000	2013 £'000
Interest receivable		
- from cash and corporate bonds or other liquidity investments	82	276
- from instruments with fixed returns	4,516	4,009
	4,598	4,285

3. Investment Manager's fees

	2014 £'000	2013 £'000
Edge Investments – annual management fee	1,524	1,620

The Company entered into an agreement dated 3 February 2006 with the Investment Manager, which has responsibility for the management of the Company's portfolio of investments. The agreement has been replaced with a new agreement on a number of successive occasions, most recently on 18 February 2013 (with effect from 1 March 2013) and then again on 8 November 2013 (with effect from 1 March 2014). Under the terms of the agreement entered into on 18 February 2013, the Investment Manager was appointed for an initial period ending on the earlier of (a) the first date of admission to the Official List of H Shares issued under the Company's offer for subscription contained in its prospectus dated 18 February 2013, and (b) 31 May 2018, and continuing thereafter until terminated by either the Company or the Investment Manager, by giving no less than 12 months' notice. Under the terms of the agreement entered into on 8 November 2013, the Investment Manager was appointed for an initial period ending on 11 April 2018 (11 April 2019 in respect only of the H Share Fund), and continuing thereafter until terminated by either the Company or the Investment Manager, by giving no less than 12 months' notice.

Management fees

The Investment Manager will receive: (a) an annual management fee of 1.75% of the net asset value attributable to the C Shares, D Shares, E Shares, F Shares, G Shares and I Shares, in each case plus VAT (if applicable), (b) an annual management fee of 2.25% of the net asset value attributable to the H Shares plus VAT (if applicable), and (c) a performance fee which is outlined in more detail below. Annual running costs of the Company will include, inter alia, the management fees described above (excluding the performance fee), Directors' remuneration, company secretarial and accounting fees, audit, taxation advice, sponsor's and registrar's fees and the costs of communicating with the shareholders.

The Investment Manager will be responsible for external costs, such as legal and accounting fees, incurred on all transactions that do not proceed to completion. The Investment Manager retains the right to charge arrangement, monitoring, syndication, exit and directors' fees to the businesses in which the Company invests. Such charges are in line with industry practice and typically amount to between 1% and 3% of the amount of each investment plus VAT (if applicable). The Investment Manager will normally nominate one of its directors to act as a director of each Company.

Total annual operating expenses of the Company (excluding the Investment Manager's performance incentive fee, trail commission, irrecoverable VAT and costs of any significant corporate activity) have been capped at 3.0% of the net asset value of the Company with any excess being borne by the Investment Manager.

Performance related incentive fee

In respect of each class of Shares separately (save the H Shares), once total paid or declared dividends have reached £1.00 per C Share, D Share, E Share, F Share, G Share or I Share (as the case may be) all further amounts which, in the opinion of the Board are available to be distributed as dividends, will be paid as to 80% as a dividend to C shareholders, D shareholders, E shareholders, F shareholders, G shareholders or I shareholders (as the case may be), and 19% to the Investment Manager by way of performance fee. Once total paid or declared dividends have reached £1.20 per C Share, D Share, E Share, F Share, G Share or I Share (as the case may be) all further amounts which, in the opinion of the Board are available to be distributed as dividends, will be paid as to 70% as a dividend to C shareholders, D shareholders, E shareholders, F shareholders, G shareholders or I shareholders (as the case may be), and 29% to the Investment Manager by way of performance fee.

In respect of the H Shares, once and for so long as cumulative dividends paid or declared equal or exceed an average of 7p per H Share per annum, the Investment Manager will receive a performance fee equal to 19% of the net asset value per H Share in excess of £1.00. Once and for so long as cumulative dividends paid or declared equal or exceed an average of 14p per H Share per annum, the Investment Manager will receive a performance fee equal to 29% of the net asset value per H Share in excess of £1.00. That calculation will be made on a six-monthly basis, by reference to the Company's published annual report and financial statements and the Company's published half-yearly financial statements.

The performance fees described above are to be paid in cash and can be assigned by the Investment Manager to some or all of the investment team.

4. Other expenses

	2014 £'000	2013 £'000
Directors' remuneration (including VAT & NI)	100	97
Company secretarial & accountancy fees	48	48
Administration fees (payable to the Investment Manager)	264	225
Audit fees – for audit services	43	52
VCT status adviser fees	4	7
Printing & stationery	29	46
Other costs	250	333
Irrecoverable VAT	100	107
	838	915

The Company has no employees.

5. Directors' fees

	2014 £'000	2013 £'000
Frank Presland	15.0	15.0
Amounts paid and payable to third parties for the services of (net of VAT & NI):		
Sir Robin Miller	20.0	20.0
Michael Eaton	15.0	15.0
David Glick	15.0	15.0
Kevin Falconer	17.5	17.5
Lord Flight	15.0	11.3
Totals	97.5	93.8

No pension scheme contributions or other retirement benefit contributions were paid. There are no share option contracts held by the Directors. Since all of the fee-earning Directors are non-executive, the other disclosures required by the Listing Rules are not relevant.

6. Tax on ordinary activities

a) Analysis of tax charge

	2014 £'000	2013 £'000
Revenue charge	(830)	(634)
Credited to capital return	319	634
Current and total tax charge (note (b))	(511)	-
Prior year tax		
- Revenue	(469)	-
- Capital	349	-
Total current and prior year tax		
- Revenue	(1,299)	-
- Capital	668	-

b) Factors affecting tax charge for the year

Total return on ordinary activities before tax	333	(2,058)
Less: non-taxable income	(13)	-
Add: unrealised losses/(gains)	634	3,329
Add: non-taxable realised losses/(gains)	1,269	479
Add: transaction costs and investment management expense charged to capital	1,381	1,418
Revenue return on ordinary activities before taxation	3,604	3,168
Corporation tax at 23.08% (2013: 20.08%)	(830)	(634)
Taxation on revenue return	830	634

Allowable expenditure charged to capital return	1,381	1,418
Taxation on allowable expenditure charged to capital return at 23.08%	(319)	(285)
Relieved/unrelieved expenses	-	(349)
Credited to capital return	(319)	634
Tax charge for year (note (a))	511	-

Tax relief relating to investment management fees is allocated between revenue and capital where such relief can be utilised.

No asset or liability has been recognised for deferred tax in relation to capital gains or losses on revaluing investments as the Company is exempt from corporation tax in relation to capital gains or losses as a result of qualifying as a venture capital trust.

There is no potential liability to deferred tax (2013: nil). There is no unrecognised deferred tax asset (2013: £77,413). The deferred tax asset in 2013 related to unutilised expenses.

7. Dividends paid and proposed

	2014 £'000	2013 £'000
Amounts recognised as distributions to equity holders in the year	11,704	9,525

The final dividends per D, E, F, G and I Shares in respect of the year ended 28 February 2013 were approved at the annual general meeting held on 31 July 2013. The record and payment dates for the dividends were 4 October 2013 and 15 November 2013 respectively.

An interim dividend in respect of the year ended 28 February 2013 of 3.5p per H Share was declared on 10 December 2012, with a record date of 12 April 2013 and a payment date of 19 April 2013.

During the year ended 28 February 2014, the Directors approved interim dividends in respect of the year of 31p per D Share and 3.5p per H Share which had respective record dates of 6 December 2013 and 6 June 2014 and respective payment dates of 13 December 2013 and 13 June 2014.

The Directors recommend final dividends of 7p per F Share, 7p per G Share and 7p per I Share to be paid on 7 November 2014 to all F shareholders, G shareholders and I shareholders, respectively, on the register as at the close of business on 24 October 2014. The proposed dividends are subject to approval by the shareholders at the Company's 2014 annual general meeting and have not been included as a liability in these financial statements.

The total dividend payable in respect of the financial year is set out below.

	2014 £'000	2013 £'000
Interim dividend – nil per C Share (2013: 40p)	-	3,756
Interim dividend – 31p per D Share (2013: nil)	5,943	-
Interim dividend – 3.5p per H Share (2013: 3.5p)	229	229
Proposed final dividend – nil per D Share (2013: nil)	-	-
Proposed final dividend - nil per E Share (2013: 7p)	686	686
Proposed final dividend - 7p per F Share (2013: 7p)	2,058	2,058
Proposed final dividend - 7p per G Share (2013: 7p)	1,684	1,684
Proposed final dividend - 7p per I Share (2013: 7p)	1,104	1,104
Totals	11,704	10,858

8. Return per Share

	Revenue	Capital	2014 Total	Revenue	Capital	2013 Total
Return per C Share	(1.47)p	(4.55)p	(6.02)p	1.54p	(1.82)p	(0.28)p
Return per D Share	2.76p	(3.93)p	(1.17)p	3.04p	(3.40)p	(0.36)p
Return per E Share	3.46p	0.56p	4.02p	3.02p	(9.50)p	(6.48)p
Return per F Share	2.14p	(1.68)p	0.46p	2.41p	(4.27)p	(1.86)p
Return per G Share	2.28p	(5.28)p	(3.00)p	1.96p	(4.24)p	(2.28)p
Return per H Share	0.99p	3.56p	4.55p	(0.05)p	(0.78)p	(0.83)p
Return per I Share	2.16p	0.32p	2.48p	2.31p	(3.98)p	(1.67)p

Basic revenue return per C Share is based on the net revenue loss from ordinary activities after taxation of £137,078 (2013: profit of £183,744) and on 9,340,975 C Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014. Basic capital return per C Share is based on the net capital loss after taxation of £425,219 (2013: loss of £217,316) and on 9,340,975 C Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014.

Basic revenue return per D Share is based on the net revenue profit from ordinary activities after taxation of £530,063 (2013: £585,797) and on 19,172,500 D Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014. Basic capital return per D Share is based on the net capital loss after taxation of £753,657 (2013: loss of £654,610) and on 19,172,500 D Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014.

Basic revenue return per E Share is based on the net revenue profit from ordinary activities after taxation of £338,863 (2013: £296,454) and on 9,801,952 E Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014. Basic capital return per E Share is based on the net capital loss after taxation of £55,368 (2013: loss of £931,749) and on 9,801,952 E Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014.

Basic revenue return per F Share is based on the net revenue profit from ordinary activities after taxation of £630,039 (2013: £708,126) and on 29,379,532 F Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014. Basic capital return per F Share is based on the net capital loss after taxation of £493,446 (2013: loss of £1,253,969) and on 29,379,532 F Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014.

Basic revenue return per G Share is based on the net revenue profit from ordinary activities after taxation of £547,356 (2013: £473,329) and on 24,056,803 Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014. Basic capital return per G Share is based on the net capital loss after taxation of £1,271,320 (2013: £1,023,398) and on 24,056,803 G Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014.

Basic revenue return per H Share is based on the net revenue profit from ordinary activities after taxation of £62,817 (2013: loss of £958) and on 6,325,493 H Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014. Basic capital return per H Share is based on the net capital profit after taxation of £225,294 (2013: loss of £15,528) and on 6,325,493 H Shares, being the weighted average number of Shares in issue during the period from 1 March 2013 to 28 February 2014.

Basic revenue return per I Share is based on the net revenue profit from ordinary activities after taxation of £341,135 (2013: £287,805) and on 15,766,414 I Shares, being the weighted average number of I Shares in issue during the period from 1 March 2013 to 28 February 2014. Basic capital return per I Share is based on the net capital loss after taxation of £50,987 (2013: loss of £495,642) and on 15,766,414 I Shares, being the weighted average number of I Shares in issue during the period from 1 March 2013 to 28 February 2014.

9. Investments

Movements in investments during the year are summarised as follows:

	Venture capital Level 3 - unquoted £'000	Total £'000
Book cost at 28 February 2013	64,690	64,690
Unrealised gains, capitalised interest and accrued interest at 28 February 2013	1,019	1,019
Valuation at 28 February 2013	65,709	65,709
Movements in the year:		
- Purchases at cost	10,326	10,326
- Disposals – proceeds	(12,203)	(12,203)
- Net realised gains/(losses)	(658)	(658)
- Capitalised interest	16	16
Accrued interest	3,675	3,675
Movement in unrealised gains/(losses)	(1,239)	(1,239)
Valuation at 28 February 2014	65,626	65,626
Comprising:		
- Book cost at 28 February 2014	62,144	62,144
- Unrealised gains, capitalised interest and accrued interest at 28 February 2014	3,482	3,482
Valuation at 28 February 2014	65,626	65,626

Movements in investments during the year ended 28 February 2013 are summarised as follows:

	Venture capital Level 3 - unquoted £'000	Total £'000
Book cost at 29 February 2012	51,866	51,866
Unrealised gains, capitalised interest and accrued interest at 29 February 2012	2,615	2,615
Valuation at 29 February 2012	54,481	54,481
Movements in the year:		
- Short term loans reclassified from other debtors	2,349	2,349
- Purchases at cost	15,295	15,295
- Disposals – proceeds	(4,239)	(4,239)
- Net realised gains/(losses)	(576)	(576)
- Capitalised interest	-	-
Accrued interest	1,766	1,766
Movement in unrealised gains/(losses)	(3,367)	(3,367)
Valuation at 28 February 2013	65,709	65,709
Comprising:		
- Book cost at 28 February 2013	64,690	64,690
- Unrealised losses, capitalised interest and accrued interest at 28 February 2013	1,019	1,019
Valuation at 28 February 2013	65,709	65,709

During the year, the Company incurred disposal transaction costs of £nil (2013: £nil).

9. Investments (continued)

Movements in corporate bonds and other liquidity funds during the year are summarised as follows

	Corporate bonds and other liquidity funds Level 1 £'000
Book cost at 28 February 2013	11,024
Unrealised gains at 28 February 2013	167
Valuation at 28 February 2013	11,191
Movements in the year:	
- Purchases at cost	5,259
- Disposals – proceeds	(9,482)
- Net realised gains	5
- Interest received	122
- Purchased income	20
- Fees paid	(24)
Movement in unrealised losses	(31)
Valuation at 28 February 2014	7,060
Comprising:	
- Book cost at 28 February 2014	6,925
- Unrealised gains at 28 February 2014	135
Valuation at 28 February 2014	7,060

The Company is required to report the category of fair value measurements used in determining the value of its investments, to be disclosed by the source of inputs, using a three-level hierarchy:

Quoted market prices in active markets – “Level 1”

Inputs to Level 1 fair values are quoted prices in active markets for identical assets. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Valued using models with significant observable market parameters – “Level 2”

Inputs to Level 2 fair values are inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The Company has no investments classified in this category.

Valued using models with significant unobservable market parameters – “Level 3”

Inputs to Level 3 fair values are unobservable inputs for the asset. Unobservable inputs may have been used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset at the measurement date (or market information for the inputs to any valuation models). As such, unobservable inputs reflect the assumptions the Company considers that market participants would use in pricing the asset. The Company's unquoted equities and loan stock are classified within this category. As explained in Note 1, unquoted investments are valued in accordance with the International Private Equity and Venture Capital Association guidelines.

10. Significant interests

As at 28 February 2014, the Company held significant investments, amounting to 3% or more of the equity capital, in the following companies:

Company	Equity investment (ordinary shares) £	Equity investment (preference shares) £	Percentage of investee company's total equity, (voting rights) %
Alchemy Live Limited	700,000	-	49.97
Aurora Rising Limited	300,000	-	49.97
Axis Live Entertainment Limited	700,000	-	49.97
Black Dog Live Limited	300,000	-	49.95
Black Sheep Music Limited	300,000	-	19.95
Chapman Entertainment (Pavilion) Limited	202,767	-	27.60
Clarksville Train Limited	300,000	-	49.97
Closeto Limited	300,000	-	49.97
Cloudroom Music Limited	300,000	-	49.95
Coolabi Group Limited	5,881,663	8,107,349	50.00
Daydream Believer Limited	300,000	-	49.97
Done & Dusted Live Limited	525,000	-	49.97
E7 Live Limited	300,000	-	49.97
Granon Entertainment Limited	520,500	-	50.00
Grove Music Limited	300,000	-	50.00
Handmade Mobile Entertainment Limited	600,000	1,400,000	13.10
Intent HQ Limited	1,516,585	2,027,738	44.36
La Cage Productions Limited	300,000	-	49.97
Lads on Tour Limited	300,000	-	50.00
Libra Live Limited	300,000	-	49.95
Mirriad Limited	2,351,000	-	10.88
MM Productions Limited	300,000	-	49.97
Motti & Porg Limited	300,000	-	49.95
Pepper Promotions Limited	300,000	-	49.95
Ramble On Limited	300,000	-	49.97
Raphine Limited	300,000	-	49.97
Real Gone Gigs Limited	700,000	-	49.97
SEL Live Entertainment Limited	700,000	-	49.97
Sweet Right Peg Limited	300,000	-	49.95
Two Bridges Live Limited	300,000	-	49.97
UltraNation Limited	300,000	-	49.97

11. Debtors

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Accrued interest and other accrued income	21	768
Amounts due from the Investment Manager	17	13
Prepayments and other debtors	3,480	3,559
	3,518	4,340

12. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Other creditors and accruals	4,418	1,059
	4,418	1,059

13. Called-up Share capital

Allotted, called-up and fully paid:

	Nominal value	
	2014 £'000	2013 £'000
As at 28 February:		
9,330,098 Ordinary C Shares of 10p each (2013: 9,393,438)	933	939
19,172,500 Ordinary D Shares of 10p each (2013: 19,172,500)	1,917	1,917
9,801,952 Ordinary E Shares of 10p each (2013: 9,801,952)	980	981
29,379,532 Ordinary F Shares of 10p each (2013: 29,379,532)	2,938	2,938
24,056,803 Ordinary G Shares of 10p each (2013: 24,056,803)	2,406	2,406
6,924,978 Ordinary H Shares of 10p each (2013: 2,239,100)	692	224
15,766,414 Ordinary I Shares of 10p each (2013: 15,766,414)	1,577	1,577
Totals	11,443	10,981

Under the offer for subscription for H Shares set out in the Company's prospectus dated 18 February 2013:

- 4,033,688 H Shares were allotted and issued on 5 April 2013, at an issue price of 98.26p per H Share;
- 274,155 H Shares were allotted and issued on 8 April 2013, at an issue price of 98.26p per H Share; and
- 378,035 H Shares were allotted and issued on 1 July 2013, at an issue price of 94.16p per H Share

Under the terms of the Company's enhanced share buy-back offer document published on 18 January 2013, on 5 April 2013, 1 May 2013 and 25 October 2013, a total of 2,648,106 existing C Shares were bought back by the Company at a price of 34.31p, and a total of 2,584,766 new C Shares issued at a price of 35.34p.

After the end of the year under review, under the offer for subscription set out in the Company's prospectus dated 8 November 2013:

- 2,291,785 H Shares were allotted and issued on 5 April 2014, at an issue price of 95.51p per H Share; and
- 257,754 H Shares were allotted and issued on 6 June 2014, at an issue price of 97.56p per H Share

14. Reserves

	Share capital £'000	Share premium £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 1 March 2013 as previously reported	11,051	14,842	56,833	410	(5,595)	4,086	81,627
Share issues	727	4,776	-	-	-	-	5,503
Share issue expenses	-	(312)	(23)	-	-	-	(335)
Buyback of Shares	(265)	-	(909)	265	-	-	(909)
Dividends paid	-	-	(11,704)	-	-	-	(11,704)
Movements on reserves	-	(19,305)	19,305	-	-	-	-
Return for year	-	-	-	-	(2,616)	2,318	(298)
At 28 February 2014	11,513	1	63,502	675	(8,211)	6,404	73,884

Distributable reserves comprise: the special reserve; the revenue reserve; and capital reserves attributable to realised profits. On 4 September 2013, the High Court approved the cancellation of all of the Company's share premium account as at 3 July 2013; that cancelled share premium was added to the special reserve.

15. Net asset value per share

The net asset values per Share at the year end were as follows:

	2014 Net asset values attributable		2013 Net asset values attributable	
	Net assets	Net assets per Share	Net assets	Net assets per Share
C Shares	£2.3m	24.71p	£2.9m	30.74p
D Shares	£7.1m	36.85p	£13.2m	69.02p
E Shares	£6.0m	60.85p	£6.2m	63.82p
F Shares	£20.9m	71.11p	£22.8m	77.64p
G Shares	£17.6m	73.11p	£20.0m	83.12p
H Shares	£6.4m	92.68p	£2.1m	92.95p
I Shares	£13.7m	86.58p	£14.4m	91.09p

Net asset value per Share is based on net assets at the year end and on the number of Shares in each class in issue at the year end, as shown in Note 13.

16. Reconciliation of net return before taxation to net cash outflow from operating activities

	2014 £'000	2013 £'000
Net return before taxation for the year	333	(2,058)
Losses on investments	1,903	3,808
Adjustment to return for non-operating income	84	(432)
Adjustment to return for non-operating expenditure	24	33
(Increase)/decrease in debtors	(868)	(3,455)
Increase/(decrease) in creditors and accruals	763	(5,569)
Net cash inflow/(outflow) from operating activities	2,239	(7,673)

17. Analysis of changes in net funds

	Cash £'000	Liquid funds £'000	Total £'000
At 1 March 2013	1,446	11,191	12,637
Cash flows	652	(4,100)	(3,448)
Unrealised adjustments in fair value	-	(31)	(31)
At 28 February 2014	2,098	7,060	9,158

18. Financial instruments

The Company's principal financial instruments comprise:

- Equity, loan stock and corporate bonds
- Cash balances and liquid resources

Investments are made in a combination of equity and loans. Surplus funds are held on bank deposit or in listed money market instruments. It is not the Company's policy to trade in financial instruments or derivatives.

Fixed asset investments are valued at fair value as detailed in Note 1b.

The Company held the following categories of financial instruments at 28 February 2014:

	2014 (Cost) £'000	2014 (Fair value) £'000	2013 (Cost) £'000	2013 (Fair value) £'000
Assets at fair value through profit or loss				
- Investment portfolio	62,144	65,626	64,690	65,709
- Current asset investments	7,060	7,060	11,191	11,191
- Cash at bank	2,098	2,098	1,446	1,446
Loans and receivables				
- Accrued income	21	21	768	768
- Other debtors	3,497	3,497	3,572	3,572
- Other creditors	(4,418)	(4,565)	(1,059)	(1,059)
Totals	70,402	73,737	80,608	81,627

Unquoted investments account for 100% of the investment portfolio (2013: 100%). The investment portfolio has a 100% concentration of risk towards small UK-based, sterling denominated companies and represents 89.0% (2013: 80.5%) of net assets at the year end.

Current asset investments are interest-bearing deposits which represent 9.6% (2013: 13.7%) of net assets at the year end.

The main risks arising from the Company's financial instruments are credit risk, market price risk, interest rate risk and liquidity risk. All assets and liabilities are denominated in sterling; hence there is no currency risk.

Credit risk

Credit risk is the risk that a counterparty will default on its obligation, resulting to a financial loss to the Company. The Investment Manager monitors credit risk on an ongoing basis. The carrying amounts of financial assets represent the maximum credit risk exposure at the balance sheet date.

At 28 February 2014, the Company's financial assets exposed to credit risk amounted to the following:

	2014 Cost £'000	2013 Cost £'000
Investments in fixed rate instruments	29,771	44,859
Investments in floating rate instruments	-	4,387
Cash on deposit	7,060	226
Cash at bank	2,098	1,446
Interest, dividends and other receivables	3,518	4,340

Credit risk on unquoted loan stock held within unlisted investments are considered in conjunction with the associated equity investment in the portfolio and considered to be part of market price risk as disclosed later in this note. It is estimated that if 10% of the Company's interest income for the year were not received, this would decrease the profit before tax for the year of £334,018 to a loss before tax for the year of £178,004.

The cash held by the Company is held by UBS and HSBC. The Board monitors the Company's risk by reviewing the internal control reports of these banks. Should the credit quality or the financial position of the bank deteriorate significantly, the Investment Manager will seek to move the cash holdings to another bank.

At 28 February 2014, all loans were held at fair value. No loan is past its repayment date.

Market price risk

The Board manages the market risk inherent in the Company's portfolio by maintaining an appropriate spread of market risk and by ensuring full and timely access to relevant information from the Investment Manager. The Board reviews investment performance and financial results, as well as compliance with the Company's investment objectives. The Board also seeks to ensure that an appropriate proportion of the Company's portfolio is invested in cash and readily realisable securities which are sufficient to meet any funding commitments which may arise. The Company does not use derivative instruments to hedge against market risk.

The equity and fixed interest stocks of the Company's unquoted investee companies are very seldom traded and, as such, their prices are more uncertain than those of more frequently traded stocks. It is estimated that a 10% fall in the carrying value of the Company's unquoted investments would reduce profit before tax for the year by £6,562,653 and reduce the Company's net assets by the same amount.

Interest rate risk

Some of the Company's financial assets are interest-bearing, some of which are at fixed rates and some at variable rates. As a result, the Company is exposed to interest rate risk due to fluctuations in prevailing levels of market interest rates. The Board seeks to mitigate this risk through regular monitoring of the Company's interest-bearing investments. The Company does not use derivative instruments to hedge against interest rate risk. However, the effect of those interest rate changes is not materially significant.

Fixed rate

Due to the complexity of the instruments and the uncertainty surrounding time of realisation, the weighted average time for which the rate is fixed has not been calculated.

	Cost £'000	2014 Weighted average interest rate	Cost £'000	2013 Weighted average interest rate
Loan stock	21,923	11%	26,934	8%
On-demand loan	7,848	11%	7,035	3%
Corporate bonds	-	-	10,926	14%

Floating rate

The Company holds the majority of its cash balances in interest-bearing deposit accounts. The benchmark rate which determines the interest payments received on interest-bearing cash balances is the bank base rate which was 0.5 per cent at 28 February 2014 (2013: 0.5 per cent).

	2014 Cost £'000	2013 Cost £'000
Loan stock	-	4,387
Cash on deposit	7,060	226
Cash at bank	2,098	1,446

Liquidity risk

The investments in equity and fixed interest stocks of unquoted companies which the Company holds are not traded and thus are not readily realisable. At times, the Company may be unable to realise its investments at their carrying values because of an absence of willing buyers. The Company's ability to sell investments may also be constrained by the requirements set down for VCTs. To counter such liquidity risk, sufficient cash and money market funds are held to meet running costs and other commitments. The Company invests its surplus funds in high quality liquidity funds which are all accessible on an immediate basis.

18. Financial instruments (continued)

It is estimated that should the Company have to sell 10% of its investments at only 90% of their carrying values in order to find a buyer, additional losses totalling £656,265 would have to be recognised. Had this happened during the year to 28 February 2014, profit before tax for the year of £334,018 would have decreased to a loss before tax for the year of £332,247. Liquidity risk is mitigated by the Company's intention to complete its investment strategy and sell investments at planned intervals rather than as a matter of necessity.

Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, satisfy the relevant HMRC requirements and provide at least adequate returns for shareholders.

As a VCT, the Company must have, within three years of raising its capital, and must thereafter continue to have, at least 70% by value of its investments in VCT-qualifying holdings which are a relatively high risk asset class of small UK companies. In satisfying this requirement, the Company's capital management scope is restricted. Subject to this restriction, the Company may adjust dividends, return capital to shareholders, issue new Shares or sell assets to maintain the level of liquidity to remain a going concern.

19. Post balance sheet events

Intent HQ Limited

In March 2014, under the terms of an agreement concluded on 26 February 2014, Intent HQ Holdings Limited ("Holdings") made offers to:

- acquire the entire issued share capital of Intent HQ Limited ("Intent"), for cash; and
- acquire the entire issued loan capital of Intent, in exchange for shares in the share capital of Holdings and loan notes in the loan capital of Holdings.

Those offers were accepted by a sufficient number of, respectively, holders of the issued share capital and issued loan capital of Intent (including by the Company), and became binding on 19 March 2014. Consequently, under the terms of the offers, on 19 March 2014, the Company realised all of its investment in Intent (other than certain short-term loans previously advanced by the Company to Intent, which were not the subject of the offers, and which therefore remain owed by Intent) and was issued with new shares and loan notes in the capital of Holdings.

20. Geographical analysis

The operations of the Company are wholly in the United Kingdom.

21. Contingencies, guarantees and financial commitments

There were no contingencies or guarantees as at 28 February 2014.

22. Capital commitments

The Company had not entered into any capital commitments at year end.

23. Transactions with the Investment Manager

During the year ended 28 February 2014, the Company incurred investment management and administration fees of £1,787,683 (2013: £1,845,510) (exclusive of VAT) payable to the Investment Manager. This sum comprised:

- investment management fees of £1,524,052 (2013: £1,620,510).
- administration fees of £263,630 (2013: £225,000).

Details of the Investment Manager's fee arrangements are given in Note 3.

Notices of the Annual General Meeting

Notices of the Company's 2014 annual general meeting and class meetings are set out on pages 63 to 79 of this report. The resolutions to be put to the meetings are important.

It is the Board's opinion that all resolutions are in the best interests of shareholders as a whole and the Board recommends that shareholders should vote in favour of all resolutions. Any shareholder who is in any doubt as to what action to take should consult an appropriate independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all your C, D, E, F, G, H or I Shares in the Company, please forward this document, together with the forms of proxy, to the purchaser, transferee, stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

2014 Annual General Meeting

The Company's eighth annual general meeting will be held at 10.00 am on 7 August 2014 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW. Notice of the meeting is set out on pages 63 to 65 of this report.

The business of the meeting is outlined below.

Resolution 1 - Annual report and financial statements

The Directors are required to present to the annual general meeting the annual report and financial statements for the financial year ended 28 February 2014.

Resolution 2 - Declaration of dividends

A final dividend cannot exceed the amount recommended by the Directors and can only be paid after it has been approved by the shareholders at a general meeting. The Directors recommend the following final dividends in respect of the year ended 28 February 2014:

- (i) 7p per F Share payable on 7 November 2014 to the holders of F Shares registered at the close of business on 24 October 2014;
- (ii) 7p per G Share payable on 7 November 2014 to the holders of G Shares registered at the close of business on 24 October 2014; and
- (iii) 7p per I Share payable on 7 November 2014 to the holders of I Shares registered at the close of business on 24 October 2014.

Resolution 3 – Directors' remuneration policy

This resolution proposes the approval of the Directors' remuneration policy as set out on page 29 of the annual report for the year ended 28 February 2014.

Resolution 4 - Directors' remuneration report

Under The Large and Medium Sized Companies and Groups (Accounts and Reports) (Amendments) Regulations 2013, the Company is required to produce a Directors' remuneration report for each relevant financial year and to obtain shareholder approval for that report at the annual general meeting. The Directors' remuneration report is on pages 30 to 33 of the annual report for the year ended 28 February 2014.

Resolution 5 - Re-election of Kevin Falconer

Kevin Falconer retires as a Director by rotation in accordance with the Company's articles of association and, being eligible, offers himself for re-election as a Director.

Resolution 6 Re-election of David Glick

David Glick, being a non-independent Director, retires as a Director in accordance with the Listing Rules and, being eligible, offers himself for re-election as a Director.

Resolution 7 - Re-appointment of the auditor

The Company is required to re-appoint an auditor at each annual general meeting of the Company, to hold office until the next general meeting of the Company at which accounts are presented to the shareholders. This resolution proposes that the Company's current auditor, Grant Thornton LLP, be re-appointed as the auditor of the Company.

Resolution 8 - Remuneration of the auditor

This resolution proposes that the Directors be authorised to set the auditor's remuneration.

Resolution 9 - Renewal of Directors' authority to allot Shares

By virtue of section 551 of the Companies Act 2006, the Directors require the authority of the shareholders of the Company to allot Shares in the Company. This resolution authorises the Directors to make allotments of additional Shares with a total nominal value of no more than 10% of the existing issued share capital of the Company. The existing authority will expire at the 2014 annual general meeting and, by proposing this resolution, the Board seeks its renewal. The Directors have no present intention of exercising the authority given by this resolution. This authority will be effective until the later of (1) the date of the Company's 2015 annual general meeting, and (2) 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting).

Resolution 10 - Disapplication of pre-emption rights

Resolution 10, which will be proposed as a special resolution, supplements the Directors' authority to allot Shares in the Company given to them by resolution 9, by renewing their authority to disapply pre-emption rights in respect of their authority to allot Shares up to a total nominal value of no more than 10% of the existing issued share capital of the Company. This authority will be effective until the later of the date of (1) the Company's 2015 annual general meeting, and (2) 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting).

Resolution 11 - Purchase of Shares by the Company

Resolution 11, which will be proposed as a special resolution, authorises the Company for the purpose of section 701 of the Companies Act 2006 to make market purchases of C, D, E, F, G, H and I Shares provided that:

- (i) such authority is limited to the purchase of 14.99% of the issued C Share capital, 14.99% of the issued D Share capital, 14.99% of the issued E Share capital, 14.99% of the issued F Share capital, 14.99% of the issued G Share capital, 14.99% of the issued H Share capital and 14.99% of the I Share capital, in each case as immediately prior to the passing of this resolution;
- (ii) the maximum price (exclusive of expenses) which may be paid for such C, D, E, F, G, H or I Shares shall be the higher of:
 - (a) an amount equal to 105% of the average of the middle market quotations for such class of the Company's Shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and
 - (b) the value of such class of the Company's Shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's Shares on the trading venue where the purchase is carried out;

- (iii) the Company may make a contract to purchase its own C, D, E, F, G, H or I Shares under this authority prior to the expiry of this authority, and the Company may make a purchase of its own C, D, E, F, G, H or I Shares in pursuance of any such contract;

and this power, unless previously varied, revoked or renewed shall come to an end at the later of (1) the date of the Company's 2015 annual general meeting, and (2) 15 months after the date on which this resolution is passed.

Class Meetings

Separate class meetings of holders of C, D, E, F, G, H and I Shares will also be held on 7 August 2014, where the relevant resolutions referred to above will be proposed.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the eighth annual general meeting of the Company will be held at 10.00 am on 7 August 2014 at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW for the purpose of considering and, if thought fit, passing the following resolutions (of which resolutions 1 to 9, inclusive, will be proposed as ordinary resolutions and resolutions 10 and 11 will be proposed as special resolutions).

ORDINARY RESOLUTIONS

1. To receive and adopt the directors' and the independent auditor's reports and the Company's financial statements for the year ended 28 February 2014.
2. To declare:
 - (i) a final dividend of 7p per F share of 10p in the capital of the Company ("F Share"), such dividend to be paid on 7 November 2014 to all holders of F Shares on the Company's register of members as at the close of business on 24 October 2014;
 - (ii) a final dividend of 7p per G share of 10p in the capital of the Company ("G Share"), such dividend to be paid on 7 November 2014 to all holders of G Shares on the Company's register of members as at the close of business on 24 October 2014; and
 - (iii) a final dividend of 7p per I share of 10p in the capital of the Company ("I Share"), such dividend to be paid on 7 November 2014 to all holders of I Shares on the Company's register of members as at the close of business on 24 October 2014.
3. To approve the directors' remuneration policy.
4. To approve the directors' remuneration report for the year ended 28 February 2014.
5. To re-elect Kevin Falconer who is retiring as a director of the Company in accordance with Article 95 of the Company's articles of association and who, being eligible, offers himself for re-election as a director of the Company.
6. To re-elect David Glick as a director of the Company, pursuant to Listing Rule 15.2.13A.

7. To re-appoint Grant Thornton LLP as auditor of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
8. To authorise the directors of the Company to fix the remuneration of the auditor.

SPECIAL BUSINESS

As special business, to consider and, if thought fit, to pass the following resolutions, resolution 9 as an ordinary resolution and resolutions 10 and 11 as special resolutions of the Company:

9. (i) That the directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company, up to an aggregate nominal value equal to 10% of the nominal value of the issued ordinary share capital of the Company as at the date of this resolution, during the period commencing on the passing of this resolution and expiring on the later of: (1) the date of the annual general meeting of the Company to be held in 2015, and (2) the date which is 15 months after the date on which this resolution is passed (unless the authority is previously revoked, varied or extended by the Company in general meeting); but so that this authority shall allow the Company to make, before the expiry of this authority, offers or agreements which would or might require relevant securities to be allotted after such expiry; and

- (ii) That all previous authorities given to the directors of the Company in accordance with section 551 of the Act be and are hereby revoked, provided that such revocation shall not have retrospective effect.

SPECIAL RESOLUTIONS

10. That the directors of the Company be and are hereby empowered, pursuant to sections 570 and 573 of the Act, to allot or make offers or agreements to allot equity securities (as defined in section 560 of the Act) for cash pursuant to the authority given pursuant to resolution 9 set out in this notice of annual general meeting as if section 561(1) of the Act did not apply to such allotment, provided that this power shall expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2015, and (2) the date which is 15 months after the date on which this resolution is passed; and provided further that this power shall be limited to the allotment of equity securities from time to time with an aggregate nominal value equal to 10% of the nominal value of the issued ordinary share capital of the Company as at the date of this resolution.
11. That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Act, to make market purchases (within the meaning of section 693(4) of the Act) of C Shares, D Shares, E Shares, F Shares, G Shares, H Shares and I Shares of 10p each in the capital of the Company, provided that:
- (i) such authority is limited to the purchase of 14.99 per cent of the issued C Share capital, 14.99 per cent of the issued D Share capital,

14.99 per cent of the issued E Share capital, 14.99 per cent of the issued F Share capital, 14.99 per cent of the issued G Share capital, 14.99 per cent of the issued H Share capital, and 14.99 per cent of the issued I Share capital, in each case as at the date of this resolution;

- (ii) the minimum price (excluding expenses) which may be paid for such C, D, E, F, G, H or I Shares is 10p per share, the nominal amount of each such share;
- (iii) the maximum price (excluding expenses) which may be paid for such C, D, E, F, G, H or I Shares shall be the higher of:
- (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and
- (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own C, D, E, F, G, H or I Shares under this authority prior to the expiry of this authority which will or may be

executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own C, D, E, F, G, H or I Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2015, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

Dated: 26 June 2014

Registered Office:
1 Marylebone High Street
London W1U 4LZ

Notes and instructions:

1. Only those shareholders registered on the Company's register of members at 10.00 am on 5 August 2014, or, if this meeting is adjourned, 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting, shall be entitled to attend and vote at the meeting.
 2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
 3. If you are a shareholder of the Company at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
 4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
 5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed hard copy of the form of proxy to proxies@shareregistrars.uk.com.
- For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 10.00 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com.
- In either case, the revocation notice must be received as above by no later than 10.00 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 7, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
 9. As at the date of this notice (26 June 2014), the Company's issued share capital comprises 9,330,098 C Shares, 19,172,500 D Shares, 9,801,952 E Shares, 29,379,532 F Shares, 24,056,803 G Shares, 9,474,517 H Shares and 15,766,414 I Shares. Each C, D, E, F, G, H and I Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of this notice (26 June 2014) is 116,981,816.
 9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
 10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
 11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.
 12. Copies of the following documents will be available for inspection at the registered office of the Company during usual business hours on any working day (Saturdays, Sundays and public holidays excluded) from the date of this notice, until the end of this meeting, and at the place of this meeting for at least 15 minutes prior to and during this meeting:
 - the directors' and the independent auditor's reports and the Company's financial statements for the year ended 28 February 2014 (resolution 1); and
 - the directors' remuneration policy (resolution 3);
 - the directors' remuneration report (resolution 4);
 - the directors' letters of appointment and the register of directors' interests in the shares of the Company (resolutions 5 & 6).
 13. Information about the directors who are proposed for re-election at this meeting is shown in the Company's annual report and financial statements for the year ended 28 February 2014 (resolutions 5 & 6).

NOTICE OF CLASS MEETING OF HOLDERS OF C SHARES

Notice is hereby given that a class meeting of the holders of C shares of 10p each in the capital of the Company ("C Shares") will be held at 10.15 am on 7 August 2014 (or as soon thereafter as the annual general meeting of the Company convened for the same date shall have concluded or been adjourned) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

SPECIAL RESOLUTION

That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of C Shares, provided that:

- (i) such authority is limited to the purchase of 14.99 per cent of the issued C Share capital as at the date of this resolution;
- (ii) the minimum price (excluding expenses) which may be paid for such C Shares is 10p per share, the nominal amount of each such share;
- (iii) the maximum price (excluding expenses) which may be paid for such C Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and

- (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own C Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own C Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2015, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited

Company Secretary

Dated: 26 June 2014

Registered Office:
1 Marylebone High Street
London W1U 4LZ

Notes and instructions:

1. Only those shareholders registered on the Company's register of members as holders of C Shares at 10.15 am on 5 August 2014, or, if this meeting is adjourned, 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting, shall be entitled to attend and vote at the meeting.
 2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
 3. If you are a holder of C Shares at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
 4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
 5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed hard copy of the form of proxy to proxies@shareregistrars.uk.com.
- For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 10.15 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com.
- In either case, the revocation notice must be received as above by no later than 10.15 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 7, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
 8. As at the date of this notice (26 June 2014), the Company has issued 9,330,098 C Shares. Each C Share carries the right to one vote at a class meeting of the holders of C Shares and, therefore, the total number of voting rights in the class of holders of C Shares as at the date of this notice (26 June 2014) is 9,330,098.
 9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
 10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
 11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF D SHARES

Notice is hereby given that a class meeting of the holders of D shares of 10p each in the capital of the Company ("D Shares") will be held at 10.20 am on 7 August 2014 (or as soon thereafter as the class meeting of the holders of C shares in the Company convened for the same date shall have concluded or been adjourned) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

SPECIAL RESOLUTION

That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of D Shares, provided that:

- (i) such authority is limited to the purchase of 14.99 per cent of the issued D Share capital as at the date of this resolution;
- (ii) the minimum price (excluding expenses) which may be paid for such D Shares is 10p per share, the nominal amount of each such share;
- (iii) the maximum price (excluding expenses) which may be paid for such D Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and
 - (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and

- (iv) the Company may make a contract or contracts to purchase its own D Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own D Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2015, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited
Company Secretary

Dated: 26 June 2014

Registered Office:
1 Marylebone High Street
London W1U 4LZ

Notes and instructions:

1. Only those shareholders registered on the Company's register of members as holders of D Shares at 10.20 am on 5 August 2014, or, if this meeting is adjourned, 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting, shall be entitled to attend and vote at the meeting.
 2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
 3. If you are a holder of D Shares at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
 4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
 5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed hard copy of the form of proxy to proxies@shareregistrars.uk.com.
- For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 10.20 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com.
- In either case, the revocation notice must be received as above by no later than 10.20 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 7, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
 8. As at the date of this notice (26 June 2014), the Company has issued 19,172,500 D Shares. Each D Share carries the right to one vote at a class meeting of the holders of D Shares and, therefore, the total number of voting rights in the class of holders of D Shares as at the date of this notice (26 June 2014) is 19,172,500.
 9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
 10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
 11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.

Edge Performance VCT plc (the "Company")

NOTICE OF CLASS MEETING OF HOLDERS OF E SHARES

Notice is hereby given that a class meeting of the holders of E shares of 10p each in the capital of the Company ("E Shares") will be held at 10.25 am on 7 August 2014 (or as soon thereafter as the class meeting of the holders of D shares in the Company convened for the same date shall have concluded or been adjourned) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

SPECIAL RESOLUTION

That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of E Shares, provided that:

- (i) such authority is limited to the purchase of 14.99 per cent of the issued E Share capital as at the date of this resolution;
- (ii) the minimum price (excluding expenses) which may be paid for such E Shares is 10p per share, the nominal amount of each such share;
- (iii) the maximum price (excluding expenses) which may be paid for such E Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and

- (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own E Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own E Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2015, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited

Company Secretary

Dated: 26 June 2014

Registered Office:
1 Marylebone High Street
London W1U 4LZ

Notes and instructions:

1. Only those shareholders registered on the Company's register of members as holders of E Shares at 10.25 am on 5 August 2014, or, if this meeting is adjourned, 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting, shall be entitled to attend and vote at the meeting.
 2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
 3. If you are a holder of E Shares at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
 4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
 5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed hard copy of the form of proxy to proxies@shareregistrars.uk.com.
- For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 10.25 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com.
- In either case, the revocation notice must be received as above by no later than 10.25 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 7, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
 8. As at the date of this notice (26 June 2014), the Company has issued 9,801,952 E Shares. Each E Share carries the right to one vote at a class meeting of the holders of E Shares and, therefore, the total number of voting rights in the class of holders of E Shares as at the date of this notice (26 June 2014) is 9,801,952.
 9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
 10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
 11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF F SHARES

Notice is hereby given that a class meeting of the holders of F shares of 10p each in the capital of the Company ("F Shares") will be held at 10.30 am on 7 August 2014 (or as soon thereafter as the class meeting of the holders of E shares in the Company convened for the same date shall have concluded or been adjourned) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW for the purpose of considering and, if thought fit, passing the following resolutions, resolution 1 of which is proposed as an ordinary resolution and resolution 2 of which is proposed as a special resolution.

ORDINARY RESOLUTION

1. To declare a final dividend of 7p per F Share, such dividend to be paid on 7 November 2014 to all holders of F Shares on the Company's register of members as at the close of business on 24 October 2014.

SPECIAL RESOLUTION

2. That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of F Shares, provided that:
 - (i) such authority is limited to the purchase of 14.99 per cent of the issued F Share capital as at the date of this resolution;
 - (ii) the minimum price (excluding expenses) which may be paid for such F Shares is 10p per share, the nominal amount of each such share;
 - (iii) the maximum price (excluding expenses) which may be paid for such F Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and

- (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own F Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own F Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2015, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited

Company Secretary

Dated: 26 June 2014

Registered Office:
1 Marylebone High Street
London W1U 4LZ

Notes and instructions:

1. Only those shareholders registered on the Company's register of members as holders of F Shares at 10.30 am on 5 August 2014, or, if this meeting is adjourned, 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting, shall be entitled to attend and vote at the meeting.
 2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
 3. If you are a holder of F Shares at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
 4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
 5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed hard copy of the form of proxy to proxies@shareregistrars.uk.com.
- For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 10.30 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com.
- In either case, the revocation notice must be received as above by no later than 10.30 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 7, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
 8. As at the date of this notice (26 June 2014), the Company has issued 29,379,532 F Shares. Each F Share carries the right to one vote at a class meeting of the holders of F Shares and, therefore, the total number of voting rights in the class of holders of F Shares as at the date of this notice (26 June 2014) is 29,379,532.
 9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
 10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
 11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF G SHARES

Notice is hereby given that a class meeting of the holders of G shares of 10p each in the capital of the Company ("G Shares") will be held at 10.35 am on 7 August 2014 (or as soon thereafter as the class meeting of the holders of F shares in the Company convened for the same date shall have concluded or been adjourned) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW for the purpose of considering and, if thought fit, passing the following resolutions, resolution 1 of which is proposed as an ordinary resolution and resolution 2 of which is proposed as a special resolution.

ORDINARY RESOLUTION

1. To declare a final dividend of 7p per G Share, such dividend to be paid on 7 November 2014 to all holders of G Shares on the Company's register of members as at the close of business on 24 October 2014.

SPECIAL RESOLUTION

2. That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of G Shares, provided that:
 - (i) such authority is limited to the purchase of 14.99 per cent of the issued G Share capital as at the date of this resolution;
 - (ii) the minimum price (excluding expenses) which may be paid for such G Shares is 10p per share, the nominal amount of each such share;
 - (iii) the maximum price (excluding expenses) which may be paid for such G Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and

- (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own G Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own G Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2015, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited

Company Secretary

Dated: 26 June 2014

Registered Office:
1 Marylebone High Street
London W1U 4LZ

Notes and instructions:

1. Only those shareholders registered on the Company's register of members as holders of G Shares at 10.35 am on 5 August 2014, or, if this meeting is adjourned, 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting, shall be entitled to attend and vote at the meeting.
 2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
 3. If you are a holder of G Shares at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
 4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
 5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed hard copy of the form of proxy to proxies@shareregistrars.uk.com.
- For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 10.35 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com.
- In either case, the revocation notice must be received as above by no later than 10.35 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 7, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
 8. As at the date of this notice (26 June 2014), the Company has issued 24,056,803 G Shares. Each G Share carries the right to one vote at a class meeting of the holders of G Shares and, therefore, the total number of voting rights in the class of holders of G Shares as at the date of this notice (26 June 2014) is 24,056,803.
 9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
 10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
 11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF H SHARES

Notice is hereby given that a class meeting of the holders of H shares of 10p each in the capital of the Company ("H Shares") will be held at 10.40 am on 7 August 2014 (or as soon thereafter as the class meeting of the holders of G shares in the Company convened for the same date shall have concluded or been adjourned) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW for the purpose of considering and, if thought fit, passing the following resolution as a special resolution.

SPECIAL RESOLUTION

That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of H Shares, provided that:

- (i) such authority is limited to the purchase of 14.99 per cent of the issued H Share capital as at the date of this resolution;
- (ii) the minimum price (excluding expenses) which may be paid for such H Shares is 10p per share, the nominal amount of each such share;
- (iii) the maximum price (excluding expenses) which may be paid for such H Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and

- (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own H Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own H Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2015, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited

Company Secretary

Dated: 26 June 2014

Registered Office:
1 Marylebone High Street
London W1U 4LZ

Notes and instructions:

1. Only those shareholders registered on the Company's register of members as holders of H Shares at 10.40 am on 5 August 2014, or, if this meeting is adjourned, 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting, shall be entitled to attend and vote at the meeting.
 2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
 3. If you are a holder of H Shares at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
 4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
 5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed hard copy of the form of proxy to proxies@shareregistrars.uk.com.
- For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 10.40 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com.
- In either case, the revocation notice must be received as above by no later than 10.40 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 7, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
 8. As at the date of this notice (26 June 2014), the Company has issued 9,474,517 H Shares. Each H Share carries the right to one vote at a class meeting of the holders of H Shares and, therefore, the total number of voting rights in the class of holders of H Shares as at the date of this notice (26 June 2014) is 9,474,517.
 9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
 10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
 11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.

NOTICE OF CLASS MEETING OF HOLDERS OF I SHARES

Notice is hereby given that a class meeting of the holders of I shares of 10p each in the capital of the Company ("I Shares") will be held at 10.45 am on 7 August 2014 (or as soon thereafter as the class meeting of the holders of H shares in the Company convened for the same date shall have concluded or been adjourned) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW for the purpose of considering and, if thought fit, passing the following resolutions, resolution 1 of which is proposed as an ordinary resolution and resolution 2 of which is proposed as a special resolution.

ORDINARY RESOLUTION

1. To declare a final dividend of 7p per I Share, such dividend to be paid on 7 November 2014 to all holders of I Shares on the Company's register of members as at the close of business on 24 October 2014.

SPECIAL RESOLUTION

2. That the Company be and is hereby generally and unconditionally authorised, pursuant to section 701 of the Companies Act 2006 (the "Act"), to make market purchases (within the meaning of section 693(4) of the Act) of I Shares, provided that:
 - (i) such authority is limited to the purchase of 14.99 per cent of the issued I Share capital as at the date of this resolution;
 - (ii) the minimum price (excluding expenses) which may be paid for such I Shares is 10p per share, the nominal amount of each such share;
 - (iii) the maximum price (excluding expenses) which may be paid for such I Shares shall be the higher of:
 - (a) an amount equal to 105 per cent of the average of the middle market quotations for such class of the Company's shares, as derived from the daily Official List of the London Stock Exchange, for the five business days immediately preceding the day on which the purchase is made; and

- (b) the value of such class of the Company's shares calculated on the basis of the higher of the price quoted for (1) the last independent trade of and (2) the highest current independent bid for any number of such class of the Company's shares on the trading venue where the purchase is carried out; and
- (iv) the Company may make a contract or contracts to purchase its own I Shares under this authority prior to the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and the Company may make a purchase of its own I Shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

The authority hereby conferred shall (unless previously renewed or revoked) expire on the later of: (1) the date of the annual general meeting of the Company to be held in 2015, and (2) the date which is 15 months after the date on which this resolution is passed.

By order of the Board

The City Partnership (UK) Limited

Company Secretary

Dated: 26 June 2014

Registered Office:
1 Marylebone High Street
London W1U 4LZ

Notes and instructions:

1. Only those shareholders registered on the Company's register of members as holders of I Shares at 10.45 am on 5 August 2014, or, if this meeting is adjourned, 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting, shall be entitled to attend and vote at the meeting.
 2. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.edge.uk.com.
 3. If you are a holder of I Shares at the time and date set out in paragraph 1, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a form of proxy with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the form of proxy.
 4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, contact Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL.
 5. To appoint a proxy, you must:
 - send a completed hard copy of the form of proxy to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; or
 - send a legible scan of the completed hard copy of the form of proxy to proxies@shareregistrars.uk.com.
- For a proxy appointment to be valid, the hard copy or e-mailed scan, as applicable, must be received as above, by no later than 10.45 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting.
6. In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:
 - by sending a signed hard copy notice, clearly stating your intention to revoke your proxy appointment, to Share Registrars Limited, Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice; or
 - by sending an e-mail, clearly stating your intention to revoke your proxy appointment, to proxies@shareregistrars.uk.com.
- In either case, the revocation notice must be received as above by no later than 10.45 am on 5 August 2014, or if this meeting is adjourned, by no later than 48 hours (excluding non-working days) prior to the time and date set for the adjourned meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 7, your proxy appointment will remain valid.
7. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
 8. As at the date of this notice (26 June 2014), the Company has issued 15,766,414 I Shares. Each I Share carries the right to one vote at a class meeting of the holders of I Shares and, therefore, the total number of voting rights in the class of holders of I Shares as at the date of this notice (26 June 2014) is 15,766,414.
 9. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at this meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
 10. Except as provided above, shareholders who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
 - by e-mail to info@edge.uk.com; or
 - by post to Shareholder Relations, Edge Performance VCT plc, 1 Marylebone High Street, London W1U 4LZ; or
 - by telephone on 020 7317 1300.
 11. You may not use any electronic address provided in this notice, or in any related documents, to communicate with the Company for any purposes other than those expressly stated.

Corporate Information

Directors

Sir Robin Miller (Chairman)
Michael Eaton
David Glick
Frank Presland
Kevin Falconer
Lord Flight

all of
1 Marylebone High Street
London W1U 4LZ
which is the registered office of the Company

Investment Manager

Edge Investment Management Limited
trading as
Edge Investments
1 Marylebone High Street
London W1U 4LZ
(authorised and regulated by the Financial
Conduct Authority; registration number
455446)

Company Secretary

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh EH2 1DF

Taxation advisers

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Bankers

HSBC Private Bank (UK) Limited
78 St. James's Street
London SW1A 1JB

Receiving Agent & Registrar

The City Partnership (UK) Limited
Thistle House
21 Thistle Street
Edinburgh EH2 1DF

Broker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

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1 MARYLEBONE HIGH STREET
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